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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT

REC'D - S.E.C.
FEB 28 1973
(Fee Received)

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the Fiscal Year Ended
November 30, 1972

Commission File No. 811-1342-3

GOLCONDA CORPORATION
(Exact name of registrant as specified in its charter)

Idaho
(State or other jurisdiction of incorporation or organization)

82-0122540
(I.R.S. Employer Identification No.)

4201 West Peterson Avenue, Chicago, Illinois 60646
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (312) 685-0600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
$1.00 Cumulative Convertible Preferred Stock	Pacific Coast Stock Exchange
Common Stock	Pacific Coast Stock Exchange National Stock Exchange Salt Lake City Stock Exchange Spokane Stock Exchange Vancouver Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of Class

7% Convertible Subordinated Debentures Due January 1, 1990

Indicate by check mark whether the registrant has filed all annual, quarterly and other reports required to be filed with the Commission within the past 90 days and in addition has filed the most recent annual report required to be filed.

Yes X No ____

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Item 1

The business of the Company consists of four principal classifications (i) the manufacturing and marketing of valves, fittings, regulators and other controls for pressurized gases, (ii) the design, manufacturing and marketing of modular and custom kitchen, cafeteria, and restaurant equipment for commercial and industrial feeding operations, (iii) the engineering and manufacturing of precision components and assemblies for use in aerospace vehicles, military and commercial aircraft, computers, and a variety of other industrial and commercial products, (iv) the participation through stock ownership and other means in mineral resources, exploration and development.

The Company was incorporated in 1927 in the State of Idaho as Golconda Lead Mines. From 1928 until 1957 it operated a mine and a flotation mill located in the Coeur d'Alene Mining District of Idaho. In 1957 the combination of declining metal prices, rising costs, and the exhaustion of the then known ore reserves resulted in the closing of the mine. The mill treated ores of other mines on a contract basis until 1960. The name of the Company was changed in 1962 to Golconda Mining Corporation.

In 1957 the Company began a program of acquiring mining companies and properties in the vicinity of the Osburn Fault between Wallace and Mullan, Idaho, an area known as the Golconda Area. As a result of its holdings and securities in other mining companies, it came within the definition of an investment company as that term is defined in the Investment Company Act of 1940. In February, 1966 the Company's registration as a non-diversified closed-end management investment company under that Act became effective. It continued as such until March, 1971 when it was de-registered following a change in the nature of its business which occurred when Astro Controls, Inc. was merged into the Company on September 15, 1970 at which time the name of the Company was changed to Golconda Corporation its present title.

Astro Controls, Inc. was organized under Delaware law on May 6, 1969, pursuant to an Agreement of Consolidation among Pioneer-Astro Industries, Inc., an Illinois corporation organized on April 27, 1946 and The Bastian-Blessing Company, an Illinois corporation organized on May 9, 1908.

Controls and Related Equipment

Through its RegO Division, the Company designs, develops, manufactures and markets: (a) pressure regulators, valves and other control equipment for LP-gas and anhydrous ammonia; (b) pressure regulators, cylinder valves, manifolds and other control equipment for atmospheric and other compressed, liquefied and dissolved gases; (c) gas welding and cutting equipment; (d) medical oxygen and chemical equipment; (e) electric welding products; (f) pneumatic control devices for the fluid power industry; and (g) cylinder valves and regulators for self-contained breathing apparatuses. A common characteristic of RegO Division products is the control or regulation of the flow of gases either into or out of containers in which the gases are stored, or into piping systems. RegO products are designed for a wide variety of gases and temperature and pressure extremes. Products for use with cryogenic gases are required to withstand temperatures as low as minus 320°F. Depending on the application, RegO equipment is designed to regulate pressures from a few ounces to 10,000 pounds per square inch.

RegO Division products are sold nation-wide and, to a limited extent, abroad. These sales are made by a combination of eleven full-time RegO salesmen, and one hundred and nine franchished distributors and distributors abroad. RegO also distributes a substantial number of catalogs to LP-gas marketers and anhydrous ammonia dealers throughout the country. In the last fiscal year the largest customer of this Division accounted for 6% of its sales and its five largest customers accounted for about 20% of its sales.

Through its Anderson Copper and Brass Division(Anderson), the Company manufactures and markets a line of fittings for use with copper tubing. Included in the product line are flared fittings, compression fittings, inverted flare, double compression and brass pipe fittings, as well as garden hose and air hose fittings. A catalog of standard items is issued but orders are solicited for special items of a related nature. Designed for use with a variety of gases and liquids, the primary application is in the plumbing industry.

The Anderson Division manufacturing operations, located in Alsip, Illinois, consist primarily of screw machine and chucking machine operations, the raw material being exclusively brass rod and brass forgings. The Division purchases other components, such as valves and tubing tools, and offers them for sale to its customers also.

Brass fittings manufactured by the Anderson Division are sold on a nation-wide basis by twenty-five manufacturer's agents who service approximately seven hundred and fifty accounts. A limited amount of sales are abroad. In the last fiscal year, the largest customer of the Division accounted for 15% of its sales and its five largest customers accounted for about 31% of its sales.

Food Service Equipment

Through its Bastian-Blessing Division, the company designs, manufactures and markets a broad line of modular and custom kitchen, cafeteria and restaurant equipment for commercial and industrial feeding operations. Standard catalog units, as well as many custom items, are manufactured for all types of fast-food operations, limited menu drive-ins, restaurants, nursing homes, hospitals, colleges, department stores, discount and variety stores, schools, government agencies, military exchange bases and institutions that have mass feeding facilities. Installations may include short order equipment such as display cases, shelving and beverage stands, soda fountains, food warmers, refrigerator bases, salad and sandwich preparation units and griddle stands, or a complete cafeteria line-up and kitchen dish tables, workboards and sinks.

Bastian-Blessing engineers and distributors frequently assist the customer in planning the entire food service layout, including all necessary equipment for storage, preparation and service of food, as well as clean-up operations. Approximately 50% of the division's business is comprised of custom manufacturing of special orders. The manufacturing operations, located at Grand Haven, Michigan, consist of the cutting, bending, forming and welding of sheet metal (primarily stainless steel) and of polishing, insulation foaming, painting and wood work. Bastian-Blessing also purchases a few component parts, such as compressors and valves for refrigeration units, grease filters for griddle stands and stainless steel pans for warming tables. To complete ready-for-operation installations for customers Bastian-Blessing purchases certain finished products, such as ranges, refrigerators, ice makers, dishwashers, garbage disposals and coffee makers. These parts and products are manufactured commercially, and Bastian-Blessing has no long-term agreements with suppliers nor has it encountered any difficulties in obtaining its requirements.

Food equipment products are sold through a nation-wide group of distributors and dealers totaling approximately eighty-five. The Bastian-Blessing field service organization of sixteen individuals services the distributors and also makes direct sales to certain repetitive accounts such as the Army and Air Force Exchange Service. A New York office is maintained to handle sales and to service national accounts headquartered in New York. In 1972, the division's sales of manufactured product to its largest single customer accounted for 15% of such sales and to the division's five largest customers totaled 29% of such sales.

Precision Components and Assemblies

Through its Pioneer Astro Industries Division, the company is engaged in the engineering and manufacture of precision and ultra-precision components and assemblies or sub-assemblies for direct use in missiles, space vehicles, fire control equipment, ground support devices, radar and tracking devices, other products associated with national defense, commercial aircraft, computers, vehicles and other industrial and commercial products. Products include: (a) gear box housing and covers for jet engines; (b) housings and frames for inertial guidance equipment; (c) shafts, rotors and drive plates for air bearings; (d) stator torque tubes; (e) inner cylinders for commercial aircraft; (f) gear boxes for atomic submarines; (g) war heads for two classified missile projects;

(h) beryllium housings, discs, head plates and lense cells for NASA; and (i) frames and supports for computers. 04.

The Division has experienced a decline in volume since 1969 which is primarily attributed to the cut-back in aerospace and defense contracts. The Division has experienced an operating loss in each year from 1969 to the present, with the loss before federal income taxes and corporate allocations for the current fiscal year totaling $149,000.

All of the sales of Pioneer Astro Division for Government end use are pursuant to fixed price contracts. The Renegotiation Act of 1951, as amended, makes subject to renegotiations by the Government all profits realized under Government contracts. Approximately 65% of Pioneer's sales in the fiscal year ended November 30, 1972 were subject to renegotiation. Pioneer does not anticipate an adjustment of profits from renegotiable sales for the year, but it cannot offer any assurance as to the outcome of renegotiation proceedings.

Mining Activities and Investments

Through its Golconda Mining Division, the company is engaged in mineral exploration and developments through capital stock holdings in affiliate companies and operating lease agreements with affiliates for the exploration and development of certain properties. The Division has not engaged in direct mining, milling, or exploration work since 1960. The Division is headquartered in Wallace, Idaho, in what is known as the Coeur d'Alene District. Most important among Golconda's holdings is 637,674 shares of Hecla Mining Company, listed on the New York Stock Exchange. These holdings represent 10% of Hecla's outstanding shares. Hecla is a major domestic producer of silver and is engaged in the development of other major mining properties.

Golconda owns 54% of Alice Consolidated Mines, Inc. a company owning 1,109 acres of mining property to be explored with Hecla under an operating lease agreement. By the terms of the lease, Hecla will perform specified exploration and development work in the area. If exploration proves successful, by terms of an agreement dated April 3, 1970, Golconda will share 20% of the pre-production costs of development, and receive 20% of the net profits, if any, from Hecla's operation of the exploration. After Hecla and Golconda have recovered their respective shares of pre-production costs, net profits from operations will be divided as follows: 50% to Alice Consolidated, 40% to Hecla and 10% to Golconda. Some exploration has taken place but no significant developments have occurred. Golconda's share of pre-development costs are expected to total $200,000 over five years.

Golconda Corporation operates its businesses as substantially autonomous divisions. The following table sets forth the contribution to the Company's net sales and earnings before taxes and extraordinary items for the years ended November 30, 1972 and 1971.

Net sales	1972	%	1971	%
Controls	26,727	58	21,890	54
Food Service Equipment	16,895	36	15,647	39
Precision Components	2,827	6	2,947	7
	46,449	100	40,484	100

Earnings before taxes and extraordinary items	1972	%	1971	%
Controls	2,997	103	2,271	159
Food Service Equipment	(202)	(7)	(758)	(53)
Precision Components	(256)	(9)	(391)	(28)
Golconda Mining	375	13	310	22
	2,914	100	1,432	100

Because of the organizational structure and nature of expenses incurred prior to the merger of Golconda Mining Corporation and Astro Controls, Inc., comparable data for years prior to 1970 is not practicable to obtain. In determining pretax income on a divisional basis for 1971 and 1972, items of income and expense directly related to specific divisional operations have been so allocated; corporate charges related to use of capital have been allocated on the basis of net assets in each division and other corporate charges have been allocated proportionately to net sales.

The following table sets forth the approximate percentage contribution to the Company's net sales and gross profits by each of the continuing manufacturing divisions:

Net sales	1972	1971	1970	1969	1968
Controls	58%	54%	55%	58%	64%
Food Service Equipment	36%	39%	38%	32%	25%
Precision Components	6%	7%	7%	10%	11%
Total	100%	100%	100%	100%	100%
Gross profits					
Controls	71%	71%	61%	68%	63%
Food Servie Equipment	28%	27%	36%	28%	26%
Precision Components	1%	2%	3%	4%	11%
Total	100%	100%	100%	100%	100%

For information relating to investment operations see Item 2 - Consolidated Statement of Earnings.

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Competition

Golconda Corporation is subject to intense competition from a large number of firms in each of the fields in which it is engaged. Competition varies from older and larger firms having greater financial resources than Golconda to small local and regional competitors which have advantages deriving from proximity to local markets. RegO Division's principal market is the LP-gas industry, and RegO is a significant supplier of LP-gas equipment. With few exceptions, most of Bastian-Blessing Division's competitors are local or regional in character and generally small in size of facility and sales volume. There is a surplus of machine shop and machine tool firms competing with the Pioneer Astro Division for available business. In addition, major defense and aerospace firms are competing for business which may have formerly gone to the small firms. The principal factor affecting Golconda Mining Corporation's business is the price of silver in the world and domestic markets. Development of the mining property interests held by Golconda will be primarily influenced by increases in the price of silver.

Backlog

As of November 30, 1972, the company's backlog of orders totaled $12,905,000, substantially all of which is expected to be filled in the current fiscal year. At November 30, 1971, backlog amounted to $10,309,000. Backlog amounts are not necessarily indicative of sales for subsequent periods.

Materials

The company's manufacturing activities obtain their materials and components from commercial sources and, where only one supplier is used, alternate sources are available. No significant difficulty has been experienced in obtaining the company's requirements. There are no material long-term fixed commitments with suppliers.

In the case of the mining part of the business the discovery of silver ore bodies on its related properties would obviously be of benefit to the value of the company's holdings of land and mining securities but since the company does not at the present time operate any mines it is not to that extent dependent upon the discovery of ore bodies and the available supply of silver.

Research and Development

The dollar amount of expenditures during the last fiscal year relating to the development of new products or the improvements of existing products was inconsequential.

Number of Employees

The company has approximately 1,625 full-time employees, of which 60 are in executive and managerial positions, 190 are engaged in professional, administrative and sales work, 165 are office and clerical and the remaining balance of 1,210 consists of factory, warehouse and other production-related personnel.

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

The following consolidated statements of earnings, retained earnings and additional contributed capital for the three years ended November 30, 1972 have been examined by Alexander Grant & Company, independent certified public accountants, whose opinion is included elsewhere herein. The consolidated statements of earnings, retained earnings and additional contributed capital for the two fiscal years ended in 1969 combine the operations of the constituent entities (Golconda Mining Corporation and Astro Controls, Inc.) for their respective fiscal years as described in note (A) below and are not covered by the opinion of independent certified public accountants. In the opinion of management, all adjustments (consisting only of normal recurring accruals, except the combining entries described in Note A) necessary for a fair presentation of results of operations for those periods have been made.

CONSOLIDATED STATEMENT OF EARNINGS

(In thousands of dollars except per share data)

	Fiscal Year Ended (A)				
	1968	1969	1970	1971	1972
	(not covered by auditors' opinion)				
Net sales from manufacturing operations	$34,422	$40,397	$45,865	$40,484	$46,449
Cost of goods sold	26,859	30,525	35,499	31,378	35,918
Gross profit from manufacturing operations	7,563	9,872	10,366	9,106	10,531
Selling, general and administrative expenses	4,800	5,891	7,613	7,324	7,374
Interest expense	407	1,151	1,158	1,117	994
Other income - net	(104)	(210)	(150)	(490)	(444)
	5,103	6,832	8,621	7,951	7,924
Operating profit from manufacturing operations	2,460	3,040	1,745	1,155	2,607
Investment operations (B)	532	348	22	310	375
Earnings before income taxes and extraordinary items	2,992	3,388	1,767	1,465	2,982
Income taxes (principally Federal)					
Current provision	1,301	1,608	865	370	960
Deferred provision (benefit)	-	18	(30)	152	316
	1,301	1,626	835	522	1,276
	1,691	1,762	932	943	1,706

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	Fiscal Year Ended (A) (Contd)				
	1968	1969	1970	1971	1972
	(not covered by auditors' opinion)				
Earnings applicable to purchased portion of acquired company	$ 431	$ -	$ -	$ -	$ -
Earnings from continuing operation	1,260	1,762	932	943	1,706
Loss from discontinued operations -net (C)	(52)	(252)	-	-	-
Earnings before extraordinary items	1,208	1,510	932	943	1,706
Extraordinary items (net of Federal income taxes) (D)	78	280	(995)	(52)	-
Net Earnings(loss)	$ 1,286	$ 1,790	$(63)	$ 891	$ 1,706
Weighted average shares outstanding (E)	2,593	2,727	2,771	2,785	2,785
Per share data (E)					
Earnings from continuing operations					
Manufacturing operations	$ .30	$ .52	$ .31	$ .24	$ .51
Investment operations (primarily gain on sales of investments)	.19	.13	.03	.10	.10
From discontinued operations	(.02)	(.09)	-	-	-
Earnings before preferred dividend requirement and extraordinary items	.47	.56	.34	.34	.61
Less - Preferred dividend requirement	.19	.18	.17	.15	.14
Earnings before extraordinary items	.28	.38	.17	.19	.47
Extraordinary items	.03	.10	(.36)	(.02)	-
Net earnings (Loss)	$ .31	$ .48	$(.19)	$ .17	$ .47
Dividends per common share (F)	$ .12	$ .12	$ .12	$ -	$ -

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Fiscal Year Ended (A) 1968 (not covered by auditors' opinion)	1969	1970	1971	1972
nce - beginning of period as previously reported	$13,404,482				
ment of Golconda Mining Co. tax liability for period 1962-1967 including legal costs net of benefit	(74,707)				
nce - beginning of period as restated	13,329,775	13,762,294	14,854,537	14,052,546	14,530,402
et earnings for the period	1,286,006	1,789,994	(63,407)	890,605	1,706,035
	14,615,781	15,552,288	14,791,130	14,943,151	16,236,437
dividends paid					
Bastian-Blessing Company	736,826	370,956	-	-	-
ss portion (41%) accounted for as a purchase (Note A)	(302,098)	-	-	-	-
	434,728	370,956	-	-	-
neer Astro Industries, Inc.	66,000	-	-	-	-
ro Controls, Inc. - Preferred	-	242,300	-	-	-
lconda Mining Corporation	231,960	231,960	-	-	-
lconda Corporation - Common	-	-	283,190	-	-
conda Corporation - Preferred	-	-	455,394	412,749	398,741
cation of earnings (164,799) less dividends ($44,000) (Note A)	120,799	-	-	-	-
mination of portion of Bastian dividends paid to Pioneer 1968	-	(147,465)	-	-	-
	853,487	697,751	738,584	412,749	398,741
ance - end of period	$13,762,294	$14,854,537	$14,052,546	$14,530,402	$15,837,696

accompanying notes are an integral part of this statement.

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GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ADDITIONAL CONTRIBUTED CAPITAL

	Fiscal Year Ended (A				
	1968 (not covered by auditors' opinion)	1969	1970	1971	1972
Balance - beginning of period as previously reported	$6,362,405	$6,491,160	$6,713,945	$5,532,185	$5,880,346
Costs relating to the merger of Pioneer and Bastian	(138,452)	(52,711)	-	-	-
Balance at beginning of period as restated	$6,223,953	$6,438,449	$6,713,945	$6,532,185	$5,880,346
Proceeds in excess of par value arising from sale of 7,000 shares of Pioneer Treasury stock and conversion of note payable prior to merger with Astro	267,207	-	-	-	-
Allocation of debt discount attributable to warrants issued in connection with 7% subordinated notes to insurance companies	-	275,496	-	-	-
Conversion of 7% convertible debentures into 3,000 shares of common	-	-	45,000	-	-
Costs relating to merger of Golconda and Astro Controls	-	-	(226,760)	-	-
Amount applicable to cancellation of Golconda Purchase and retirement of Preferred stock(47,478 and 10,964 shares respectively)	-	-	-	(651,839)	(132,763
Balance - end of period	$6,491,160	$6,713,945	$6,532,185	$5,880,346	$5,747,583

Accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED STATEMENTS OF EARNINGS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

(A)

Golconda Corporation (formerly Golconda Mining Corporation) acquired all of the outstanding stock of Astro Controls, Inc., effective September 15, 1970 and has accounted for the transaction on a pooling-of-interest basis. The consolidated summary of earnings combines the results of operations of Golconda Mining Corporation (Golconda) for the two fiscal years ended December 31, 1969 with the results of operations of Astro Controls, Inc. (Astro) for the two fiscal years ended November 30, 1969, and includes the results of operations of Golconda for the eleven months ended November 30, 1970 combined with those of Astro for the twelve months then ended. The results of operations of Golconda for the month of December, 1969, excluded in the year ended November 30, 1970 were insignificant.

Astro Controls, Inc., (Astro) was the result of a combination, on a partial pooling-of-interest basis, of Pioneer Astro Industries, Inc. (Pioneer) and The Bastian-Blessing Company (Bastian) as of May 5, 1969. Accordingly, the portion of net earnings and extraordinary item relating to the 41% of Bastian common stock acquired through cash purchases by Pioneer has been excluded from the net earnings of Astro for the period prior to its 41% investment in Bastian.

Prior to the consolidation into Astro, Bastian and Pioneer reported on fiscal years ended November 30 and April 30, respectively. Astro adopted the fiscal year of Bastian and for the fiscal period ended in 1968, the operations of Pioneer have been restated to a twelve-month period ended November 30, 1968 and have been combined with the operations of Bastian for the year then ended. As a result of this restatement, net sales and net earnings of $2,306,499 and $164,799, respectively, have been included both in the fiscal year ended November 30, 1967 and in the fiscal year ended November 30, 1968. The Consolidated Statement of Retained Earnings has been adjusted for the earnings included in both years.

(B)

Net investment income for the five fiscal periods ended November 30, 1972 is net of interest expenses of $70,193, $73,675, $198,206, $148,259 and $107,535 respectively. In 1969, interest in the amount of $75,200 was capitalized as cost of investments.

Effective December 1, 1970, the company with the recommendation of its independent public accountants, revised its method of recognizing gains or losses on sales of its investments in securities from the specific identification cost method to the average cost method. The average cost method provides for the determination of gains and losses on a uniform cost basis as compared to the company's former method of using specific identification for the determination of the cost basis of securities sold. The effect of the change on net earnings for 1971 was an increase of $214,139 ($.08 per common share). The effect of the change in 1970 would be to decrease net earnings $30,080 ($.01 per common share). Because the change in method did not materially affect the aggregate cost of the securities held at December 1, 1970, but pertains to the determination of the cost of securities sold, the change has no material cumulative effect. See Note 2 of Notes to Consolidated Financial Statements.

(C)

The company discontinued operations of B/B Imperial, Inc., a wholly-owned subsidiary in 1969, and discontinued operations of its Paris, Illinois manufacturing facility in 1970. The Consolidated Statement of Earnings for Golconda Corporation has been restated to segregate the results of discontinued operations for the two years ended in 1969. The 1970 statement of earnings has not been restated to segregate the discontinued operations of the Paris, Illinois plant in that year because the effect on operations was not material.

The summary of product lines discontinued in connection with B/B Imperial, Inc. and the Paris, Illinois manufacturing facility prior to liquidation is as follows:

	$000's omitted except per share data	
	Fiscal Period Ended	
	1968	1969
Net Sales		
B/B Imperial, Inc.	$2,592	$1,160
Paris, Illinois	2,214	2,119
	$4,806	$3,279
Earnings (Loss) *		
B/B Imperial, Inc.	$ 95	$ 63
Paris, Illinois	(147)	(315)
	$(52)	$(252)
Loss Per Share	$(.02)	$(.09)

*The earnings (loss) is after applicable income taxes (benefits) and amount applicable to "purchased" portion of the original company (see Note (A) above), but excludes certain corporation headquarters and centralized service expenses not allocable.

(D)

Extraordinary items consist of the following:

	$000' omitted			
	Fiscal Periods Ended			
	1968	1969	1970	1971
Gain on sale of portion of operations and of wholly-owned subsidiary	$ 103	$ 50	$ -	$ -
Gain on sales of securities	-	334	-	-
Loss on liquidation of Paris, Illinois Division	-	-	(2,027)	-
Provision for settlement of lawsuit related to products of operations discontinued in 1970	-	-	-	(100)
	103	384	(2,027)	(100)
Applicable Federal Income Taxes	25	104	(1,032)	(48)
	$ 78	$ 280	$(995)	$(52)

(E)

Earnings per common share for the years 1969 through 1972 are based on the weighted average number of common shares outstanding during each period. The assumed preferred dividend requirement, $480,025 for 1968 and $485,990 for 1969, was deducted in arriving at earnings available for common shares. The paid preferred dividends deducted in arriving at earnings available for common shares in 1970, 1971 and 1972 were $455,394, $412,749 and $398,741, respectively.

(F)

Dividends per common share are those paid by Golconda Corporation only and do not reflect the dividend policies of Astro Controls, Inc. prior to its merger with Golconda.

The years ended November 30, 1968 and 1970 include a provision for employees' discretionary bonus in the amount (net of taxes) of $117,000 or $.05 per share and $138,000 or $.05 per share, respectively. Such bonus was discontinued for the year ended November 30, 1969 and subsequent to November 30, 1970.

The operating profit from manufacturing operations in 1970 declined from the prior year due to rising manufacturing costs, the provision for the employees' discretionary bonus which was discontinued for 1969, and an increase in administrative expenses. In addition, investment revenues declined in 1970 as compared to the prior year, due to the discontinuation of cash dividends from a major security in the investment portfolio.

The decline in sales during 1971 was due primarily to the general economic downturn and the discontinuation of an operating division in July, 1970. The decrease in earnings before extraordinary items is a result of the sales decline and is partially offset by increased realized gains on sales of investments.

The improved profits from manufacturing in 1972 reflect profit improvement by all divisions. A combination of aggressive cost/benefit and value engineering programs, and overhead expense reduction resulted in capture of the profit enhancement opportunity afforded by increased sales. New inter-divisional marketing and operational programs also contributed to 1972 results.

The principal plants operated by Golconda Corporation are listed below with their location, square footage, and the principal products manufactured at each location.

Division	Location	Floor Area (Square Feet)	Acreage (Where Appl.)	Principal Products	Owned or Leased
RegO	Chicago, Illinois	330,000	19.2	Valves & controls	Owned (1)
Anderson	Alsip, Illinois	30,000	3.3	Brass fittings	Owned
Bastian-Blessing	Grand Haven, Michigan	315,000	17.8	Food service equip.	Owned
Pioneer Astro	Chicago, Illinois	96,000	-	Precision machining	Leased (2)

(1) See Note 3 of Notes to Financial Statements concerning a mortgage on this plant.

(2) The plant and adjacent land are leased for an annual rental of $72,600, plus taxes and insurance (totaling $30,000 in 1972) for a period of five years ending September 30, 1977.

RegO Division operations are conducted in six adjacent buildings. Manufacturing operations are conducted in a single story brick structure. Two of the remaining five buildings, which are used for storage and warehousing of raw material, semi-finished and finished parts, are of brick construction, and three are metal frame. In total, 200,000 square feet are utilized for manufacturing, 50,000 square feet for divisional and corporate office space, and 80,000 square feet are used for storage and warehousing. Manufacturing machinery and equipment consists of light to medium metal cutting and processing equipment owned by the company. Normal utilization of plant capacity is estimated at 80% of the 90% practical capacity. Practical capacity is defined as the realizable utilization of rated capacity.

Anderson Copper and Brass Division's manufacturing facilities consist of a two year old one-story expandable concrete and steel building. Space is divided into 28,000 square feet for manufacturing and related facilities and 2,000 square feet for office functions. Normal operations are at 90% of capacity.

Bastian-Blessing Division's manufacturing facilities consist of a one story brick building which also incorporates approximately 60,000 square feet of space housed in steel strand construction. Approximately 50,000 square feet of the facility are devoted to warehousing of inventories, and a separate brick structure of approximately 12,000 square feet is used for storing and staging finished assemblies and components. Manufacturing equipment consists of general purpose sheet metal fabrication equipment owned by the company. The plant normally operates at between 70% and 100% of manned capacity subject to seasonal fluctuations in its order delivery schedule and may be expected to average 85% of normal manner capacity overall at present volume levels.

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Pioneer Astro Division conducts its manufacturing operations in a single one story brick structure. Approximately 2,000 square feet of area are utilized for warehousing of raw and finished products. All of its manufacturing equipment falls into the category of standard and specialized precision metal working machinery. Current utilization of Pioneer's facilities is approximately 55%.

Golconda owns all of the significant machinery and equipment used in its operations and considers that its plants and equipment whether owned or leased, are well maintained, adequately insured, and with normal additions and improvements, adequate for its present and foreseeable requirements.

Golconda Corporation owns approximately 2,500 acres of undeveloped mineral properties in the silver bearing Coeur d'Alene District of Idaho. The company also owns an assortment of buildings, sheds, and other pieces of apparatus connected with discontinued operations of the Golconda mine closed in 1957 due to exhaustion of known ore reserves and low metal prices. These structures do not constitute substantial capital properties.

ITEM 4 PARENTS AND SUBSIDIARIES

All of the subsidiaries considered in the aggregate as a single subsidiary would not constitute a significant subsidiary.

ITEM 5 PENDING LEGAL PROCEEDINGS

There are no pending material legal proceedings, other than ordinary routine litigation incidental to the business to which the company or any of its subsidiaries has become a party or of which any of their property has become the subject.

ITEM 6 INCREASES AND DECREASES IN OUTSTANDING EQUITY SECURITIES

(A) Cumulative Convertible Preferred Stock (Par value $1.00 per share)

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding
Balance - December 1,1971			401,273
Purchase of Shares by Company	6/1/72 to 11/30/72	(10,964)	390,309
Conversion to Common Shares	4/11/72	(105)	390,204
Balance - November 30, 1972			390,204

(1) Exclusive of treasury shares (none at December 1, 1971 and 1972. The 10,964 shares purchased during the year by the company were retired.

(B) Common Stock (no par value)

Descriptions of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding
Balance - December 1, 1971			2,784,375
Conversion of Preferred Stock to Common Shares	4/11/72	157	2,784,532
Conversion of 7% Debentures to common stock	12/1/71	93	2,784,625
Balance - November 30, 1972			2,784,625

(1) Exclusive of treasury shares (71,250 at December 1, 1971 and November 30, 1972).

(C) 7% Convertible Subordinated Debentures due January 1, 1990

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding
Balance - December 1, 1971			4,950,000
Conversion to common stock	12/1/71	(1,000)	4,949,000
Purchased by Company	6/1/72 to 11/30/72	(260,000)	4,689,000
Balance - November 30, 1972			4,689,000

ITEM 6 Continued

(D) Warrants to Purchase Common Stock @ $14.51 per share expiring January 15, 1979

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding (1)
Balance - December 1, 1971			292,467
Balance - November 30, 1972			292,467

(1) Exercisable from January 15, 1969, expiring January 15, 1979.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the Year Ended
December 31, 1974

Commission File No. 811-1342-3

GOLCONDA CORPORATION
(Exact name of registrant as specified in its charter)

Idaho	82-0122540
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4201 West Peterson Avenue, Chicago, Illinois 60646
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (312) 685-0600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
$1.00 Cumulative Convertible Preferred Stock	Pacific Coast Stock Exchange
Common Stock	Pacific Coast Stock Exchange Spokane Stock Exchange Intermountain Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of Class

7% Convertible Subordinated Debentures Due January 1, 1990

Indicate by check mark whether the registrant (1) has filed all annual, quarterly and other reports required to be filed with the Commission, (2) has been subject to the filing requirements for at least the past ninety (90) days.

Yes X

No ______

Item 1 HISTORY AND BUSINESS

The business of the Company consists of two principal classifications: (i) the manufacturing and marketing of valves, fittings, regulators and other controls for pressurized gases and the engineering and manufacturing of precision components and assemblies for use in aerospace vehicles, military and commercial aircraft, computers, and a variety of other industrial and commercial products, and (ii) the participation through stock ownership and other means in mineral resources, exploration and development. In February, 1975 the Company sold its division which was engaged in the design, manufacturing and marketing of modular and custom kitchen, cafeteria, and restaurant equipment for commercial and industrial feeding operations.

The Company was incorporated in 1927 in the State of Idaho as Golconda Lead Mines. From 1928 until 1957 it operated a mine and a flotation mill located in the Coeur d'Alene Mining District of Idaho. In 1957 the combination of declining metal prices, rising costs, and the exhaustion of the then known ore reserves resulted in the closing of the mine. The mill treated ores of other mines on a contract basis until 1960. The name of the Company was changed in 1962 to Golconda Mining Corporation.

In 1957 the Company began a program of acquiring mining companies and properties in the vicinity of the Osburn Fault between Wallace and Mullan, Idaho, an area known as the Golconda Area. As a result of its holdings and securities in other mining companies, it came within the definition of an investment company as that term is defined in the Investment Company Act of 1940. In February, 1966 the Company's registration as a non-diversified closed-end management investment company under that Act became effective. It continued as such until March, 1971 when it was deregistered following a change in the nature of its business which occurred when Astro Controls, Inc. was merged into the Company on September 15, 1970 at which time the name of the Company was changed to Golconda Corporation, its present title.

Astro Controls, Inc. was organized under Delaware law on May 6, 1969, pursuant to an Agreement of Consolidation among Pioneer-Astro Industries, Inc., an Illinois corporation organized on April 27, 1946 and The Bastian-Blessing Company, an Illinois corporation organized on May 9, 1908.

Controls and Related Equipment

Through its RegO Division, the Company designs, develops, manufactures and markets: (a) pressure regulators, valves and other control equipment for LP-gas and anhydrous ammonia; (b) pressure regulators, cylinder valves, manifolds and other control equipment for atmospheric and other compressed, liquefied and dissolved gases; (c) gas welding and cutting equipment; (d) medical oxygen and chemical equipment; (e) electric welding products; (f) pneumatic control devices for the fluid power industry; and (g) cylinder valves and regulators for self-contained breathing apparatus. A common characteristic of RegO Division products is the control or regulation of the flow of gases either into or out of containers in which the gases are stored, or into piping systems. RegO products are designed for a wide variety of gases and temperature and pressure extremes. Products for use with cryogenic gases are required to withstand temperatures as low as minus 320° F. Depending on the application, RegO equipment is designed to regulate pressures from a few ounces to 10,000 pounds per square inch.

RegO Division products are sold nation-wide and, to a limited extent, abroad. These sales are made by a combination of twelve fulltime RegO salesmen, and three hundred and eleven distributors located primarily in the United States and some abroad. RegO also distributes a substantial number of catalogs to LP-gas marketers and anhydrous ammonia dealers throughout the country. In 1974, the largest customer of this Division accounted for 10% of its sales and its five largest customers accounted for about 38% of its sales.

Through its Anderson Copper and Brass Division (Anderson), the Company manufactures and markets a line of fittings for use with copper tubing. Included in the product line are flared fittings, compression fittings, inverted flare, double compression and brass pipe fittings, as well as garden hose and air hose fittings. A catalog of standard items is issued, but orders are solicited for special items of a related nature. Designed for use with a variety of gases and liquids, the primary application is in the plumbing industry.

The Anderson Division manufacturing operations, located in Alsip, Illinois, consist primarily of screw machine and chucking machine operations, the raw material being exclusively brass rod and brass forgings. The Division purchases other components, such as valves and tubing tools, and offers them for sale to its customers also.

Brass fittings manufactured by the Anderson Division are sold on a nation-wide basis by twenty-four manufacturer's agents who service approximately eight hundred accounts. A limited amount of sales are abroad. In 1974, the largest customer of the Division accounted for 8% of its sales and its five largest customers accounted for about 30% of its sales.

Historically, the RegO Division has sold LP-gas and ammonia control products in the Northeastern quadrant of the United States on a direct basis. In the balance of the country, distributors have been utilized. In 1973, the concept of the RegO Distribution Center (RDC), a new division, was adopted to bring a full-line inventory of RegO products, Rochester gauges, selected Anderson Copper and Brass fittings and other LP-market related products including pumps, hose, paint, etc., on a resale basis closer to the end user through off-the-shelf delivery direct from Golconda. Two centers are in operation. One is in Chicago adjacent to RegO manufacturing facilities headquarters, housing some $1,000,000 worth of products. The other (RDC II) is in Upper Saddle River, N.J., and provides 24-hour warehouse delivery service from its one-half million dollar inventory to the New England and Middle Atlantic states.

Through its Pioneer Astro Industries Division, the Company is engaged in the engineering and manufacture of precision and ultra-precision components and assemblies or subassemblies for direct use in space optics and laser equipment, missiles, space vehicles, fire control equipment, ground support devices, radar and tracking devices, other products associated with national defense, commercial aircraft, computers, vehicles and other industrial and commercial products. Products include: (a) gear box housing and covers for jet engines; (b) housing and frames for inertial guidance equipment; (c) shafts, rotors, and drive plates for air bearings; (d) stator torque tubes; (e) inner cylinders for commercial aircraft; (f) gear boxes for atomic submarines; (g) war heads for two classified missile projects; (h) beryllium housing, discs, head plates and lens cells for NASA; and (i) frames and supports for computers. The Division has sought to expand its sales of products which are not military/aerospace oriented. The acquisition in 1972 of a line of needle and flow valves for the fluid power market and the establishment during 1973 of the capability to manufacture pressure gauges for use primarily by the RegO Division will enable Pioneer to further limit the military/aerospace dependency. In 1974, the largest customer of the Division accounted for 15% of its sales and its five largest customers accounted for about 47% of its sales.

All of the sales of Pioneer Astro Division for Government end use are pursuant to fixed price contracts. The Renegotiation Act of 1951, as amended, makes subject to renegotiations by the Government all profits realized under Government contracts. Approximately 68% of Pioneer's sales in 1974 were subject to renegotiation. Pioneer does not anticipate an adjustment of profits from renegotiable sales for the year, but it cannot offer any assurance as to the outcome of renegotiation proceedings.

Golconda Metals Division was created in 1973 to recycle brass scrap (from the RegO, Pioneer and Anderson Divisions) into machining rod and forgings. Those products are used by the Divisions in manufacturing their products. The quality of product produced has been proven by independent laboratory tests. The Division has experienced substantial difficulties in attaining satisfactory levels of production. This had the effect of adversely affecting earnings during 1974. Efforts are still underway to correct the situation. The Division is presently in partial production on forgings and aluminum die castings.

The Division uses an automatic cored forging process developed in England. The purpose is to produce less scrap, increase productivity, reduce tooling costs, and cut shipping and material handling costs. These objectives, however, have not yet been fully realized.

Mining Activities and Investments

Through its Golconda Mining Division, the Company is engaged in mineral exploration and developments through capital stock holdings in affiliated companies and operating lease agreements with affiliates for the exploration and development of certain properties. The Division has not engaged in direct mining, milling, or exploration work since 1960. The Division is headquartered in Wallace, Idaho, in what is known as the Coeur d'Alene District. During the year, Golconda disposed of its entire holdings of the shares of Hecla Mining Company.

Golconda owns 54% of Alice Consolidated Mines, Inc., a company owning 1,109 acres of mining property to be explored with Hecla under an operating lease agreement. By the terms of the lease, Hecla will perform specified exploration and development work in the area. If exploration proves successful, by terms of an agreement dated April 3, 1970, Golconda will share 20% of the pre-production costs of development, and receive 20% of the net profits, if any, from Hecla's operation of the exploration. After Hecla and Golconda have recovered their respective shares of pre-production costs, net profits from operations will be divided as follows: 50% to Alice Consolidated, 40% to Hecla and 10% to Golconda. Some exploration has taken place, but no significant developments have occurred. Golconda's share of pre-development costs are expected to total $200,000 over a five-year period, and to commence in 1975.

Competition

Golconda Corporation is subject to intense competition from a large number of firms in each of the fields in which it is engaged. Competition varies from older and larger firms having greater financial resources than Golconda to small local and regional competitors which have advantages deriving from proximity to local markets. RegO Division's principal market is the LP-gas industry, and RegO is a significant supplier of LP-gas equipment. There are many large and small machine shop and machine tool firms competing with the Pioneer Astro Division for available business. In addition, major defense and aerospace firms are competing for business which may have formerly gone to the small firms. The principal factor affecting Golconda Mining Corporation's business is the price of silver in the world and domestic markets. Development of the mining property interests held by Golconda will be primarily influenced by increases in the price of silver.

Backlog

As of December 31, 1974, the Company's backlog of orders totaled $9,570,000, substantially all of which is expected to be filled in 1975. At November 30, 1973, the end of the prior fiscal year, backlog amounted to $15,251,000. Backlog amounts are not necessarily indicative of sales for subsequent periods.

Materials

The Company's manufacturing activities obtain their materials and components from commercial sources. During 1974, Golconda experienced basic material problems resulting from shortages in the economy. Added costs were incurred to obtain materials and insure availability.

In the case of the mining part of the business, the discovery of silver ore bodies on its related properties would obviously be of benefit to the value of the Company's holdings of land and mining securities, but since the Company does not at the present time operate any mines, it is not to that extent dependent upon the discovery of ore bodies and the available supply of silver.

Research and Development

The dollar amount of expenditures during the last fiscal year relating to the development of new products or the improvements of existing products was not material.

Number of Employees

The Company has approximately 1,075 full-time employees, of which 60 are in executive and managerial positions, 100 are engaged in professional, administrative and sales work, 115 are office and clerical and the remaining balance of 800 consists of factory, warehouse and other production-related personnel.

Energy Shortage

The energy shortage through its effect on materials suppliers had an adverse impact upon the Company's manufacturing operations and its sales and customer orders. To the extent that a pronounced long-term shortage adversely affects the economy in general and/or sales of LP-gas in particular, its impact upon the Company's operations could be significant. The extent, if any, to which manufacturing operations will have to be curtailed will depend on the severity of the shortage and the manner in which fuel is allocated to the various sectors of the economy.

Environmental Matters

The Company is subject to environmental regulation by federal, state and local authorities. There are no known material expenditures required of the Company for pollution control equipment under applicable environmental laws, for any of our long-standing operating divisions. The establishment of the Golconda Metals Division in 1973 required expenditures for pollution control. The Division has installed equipment which it is believed meets or exceeds known federal, state or local standards.

Line of Business Information

Golconda's continuing manufacturing operations are and have been for the last five years, engaged in only one line of business--the production and sale of controls and related equipment.

GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

The following consolidated statements of earnings, retained earnings and additional contributed capital for the years ended November 30, 1973 and December 31, 1974 have been examined by independent certified public accountants whose reports are included elsewhere herein. In the opinion of management, the consolidated statements of earnings, retained earnings and additional contributed capital for the three years ended November 30, 1972 include all adjustments (consisting of normal recurring accruals) necessary to a fair presentation of such statements.

CONSOLIDATED STATEMENT OF EARNINGS
(In thousands except per share data)

	Fiscal Year Ended				
	November 30,				Dec. 31,
	1970 (C)	1971	1972	1973	1974 (A)
	(Not covered by auditors' report)				
Net sales from manufacturing operations (B)(F)	$29,282	$24,837	$29,554	$36,196	$34,800
Cost of goods sold	22,507	18,190	21,984	26,314	27,397
Gross profit from manufacturing operations	6,775	6,647	7,570	9,882	7,403
Selling, general and administrative expenses	5,333	4,727	4,641	6,027	6,402
Interest expense	1,158	1,117	994	923	1,274
Other income - net	(251)	(609)	(577)	(425)	(943)
	6,240	5,235	5,058	6,525	6,733
Profit from continuing manufacturing operations	535	1,412	2,512	3,357	670
Investment (D)	220	458	483	1,668	10,266
Earnings from continuing operations before income taxes	755	1,870	2,995	5,025	10,936
Income taxes (E)					
Current	352	536	966	1,416	1,670
Deferred-provision (benefit)	(30)	152	316	505	1,763
	322	688	1,282	1,921	3,433
Earnings from continuing operations	433	1,182	1,713	3,104	7,503
Discontinued operations (B)(F):					
Earnings (loss) from discontinued operations	1,012	(405)	(13)	166	507
Income taxes (benefit)	513	(166)	(6)	69	259
	499	(239)	(7)	97	248
(Loss) on sale of Bastian-Blessing Division:					
Applicable to net assets of division (less applicable income taxes of $950)	-	-	-	-	(950)
Applicable to goodwill written off (no tax benefit)	-	-	-	-	(1,240)
	499	(239)	(7)	97	(1,942)
Earnings before extraordinary items	932	943	1,706	3,201	5,561
Extraordinary items (net of Federal income taxes)(F)	(995)	(52)	-	-	-
Net Income (Loss)	$(63)	$ 891	$ 1,706	$ 3,201	$ 5,561
Weighted average shares outstanding (G):					
Common	2,771	2,785	2,785	2,785	2,785
Common and Common Equivalent				3,365	3,360

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	Fiscal Year Ended				
	November 30,				Dec. 31,
	1970 (C)	1971	1972	1973	1974 (A)
Primary Earnings Per Share:					
From Continuing Operations					
Manufacturing	$ .09	$ .29	$ .49	$ .57	$ .14
Investments	.07	.13	.12	.35	2.09
	.16	.42	.61	.92	2.23
Discontinued Operations	.18	(.08)	-	.03	(.57)
	.34	.34	.61	.95	1.66
Less: preferred dividend requirement	.17	.15	.14	-	-
Earnings before extraordinary items	.17	.19	.47	.95	1.66
Extraordinary items	(.36)	(.02)	-	-	-
Net income (loss)	$(.19)	$ .17	$ .47	$ .95	$ 1.66
Fully Diluted Earnings	$(.19)	$ .17	$ .47	$ .89	$ 1.52
Dividend per common share (H)	$ .12	$ -	$ -	$ -	$ -

Note: See Note 2 of Notes to Consolidated Financial Statements.

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Fiscal Year Ended				
	November 30				Dec. 31,
	1970	1971	1972	1973	1974 (A)
	(Not covered by auditors' report)				
Balance - beginning of period	$14,854,000	$14,053,000	$14,531,000	$15,838,000	$18,654,000
Net earnings (loss) for the period	(63,000)	891,000	1,706,000	3,201,000	5,561,000
Net earnings for December, 1973 (Note A)	-	-	-	-	279,000
	$14,791,000	$14,944,000	$16,237,000	$19,039,000	$24,494,000
Cash dividends paid					
Common	(283,000)	-	-	-	-
Preferred	(455,000)	(413,000)	(399,000)	(385,000)	(383,000)
	(738,000)	(413,000)	(399,000)	(385,000)	(383,000)
Balance - end of period	$14,053,000	$14,531,000	$15,838,000	$18,654,000	$24,111,000

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ADDITIONAL CONTRIBUTED CAPITAL

	Fiscal Year Ended November 30,				Dec. 31,
	1970	1971	1972	1973	1974
	(Not covered by auditors' report)				
Balance at beginning of period	$6,714,000	$6,532,000	$5,880,000	$5,748,000	$5,674,000
Conversion of 7% convertible debentures into 3,000 shares of common	45,000	-	-	-	-
Costs relating to merger of Golconda and Astro Controls	(227,000)	-	-	-	-
Purchase and retirement of Preferred Stock (47,478; 10,964 and 6,400 shares, respectively)	-	(652,000)	(132,000)	(74,000)	-
Balance - end of period	$6,532,000	$5,880,000	$5,748,000	$5,674,000	$5,674,000

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED STATEMENTS OF EARNINGS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

(A) Change of Fiscal Year

During 1974 Golconda changed its fiscal year end to December 31 to conform to the year end of its parent company--Cerro Corporation. December, 1973 operating results, net of taxes of $47,000 have been credited directly to retained earnings and are summarized below:

	000's
Net Sales	
Continuing Operations	$ 2,216
Discontinued Operations	1,075
	$ 3,291
Net Earnings (Loss)	
Continuing Operations	
Manufacturing	$(67)
Investments	382
	315
Discontinued Operations	(36)
	$ 279

(B) Sale of Bastian-Blessing Division

On February 13, 1975 Golconda entered into an agreement to sell the Bastian-Blessing (B-B) Division for cash. Total proceeds are estimated at $4,660,000. A reserve was provided for a loss of $950,000 (net of tax benefit of $950,000) on the disposition of net assets and $1,240,000 on the write-off of goodwill applicable to B-B. This transaction is reflected in the financial statements for the year ended December 31, 1974.

The accompanying Consolidated Statement of Earnings for the fiscal years ended November 30, 1970 through 1973 have been restated to present B-B's operating results as discontinued operations consistent with 1974. The following table shows the impact of the restatement on previously reported net sales (in thousands):

	YEAR ENDED NOVEMBER 30,			
	1970	1971	1972	1973
As originally reported	$45,865	$40,484	$46,449	$53,568
Less: Discontinued Operations	16,583	15,647	16,895	17,372
As per the accompanying Consolidated Statement of Earnings	$29,282	$24,837	$29,554	$36,196

In determining earnings (loss) from discontinued operations, B-B was charged with a portion of corporate administrative expenses which are relatable to B-B and which are not expected to recur and with interest expense which would have been eliminated and/or earned through the use of the proceeds on the sale.

(C) Astro Controls, Inc.

Golconda Corporation (formerly Golconda Mining Corporation) acquired all of the outstanding stock of Astro Controls, Inc. (Astro), effective September 15, 1970 and has accounted for the transaction on a pooling-of-interest basis. The Consolidated Statement of Earnings combines the results of operations of Golconda Mining Corporation (Golconda) for the eleven months ended November 30, 1970 with those of Astro for the twelve months then ended. The results of operations of Golconda for the month of December, 1969, excluded in the year ended November 30, 1970, were insignificant.

(D) Investment Operations

Effective December 1, 1970, Golconda with the recommendation of its independent public accountants, revised its method of recognizing gains or losses on sales of its investments in securities from the specific identification cost method to the average cost method. The average cost method provides for the determination of gains and losses on a uniform cost basis as compared to the company's former method of using specific identification for the determination of the cost basis of securities sold. The effect of the change on net earnings for 1971 was an increase of $214,000 ($.08 per common share). The effect of the change in 1970 would be to decrease net earnings $30,000 ($.01 per common share). Because the change in method did not materially affect the aggregate cost of the securities held at December 1, 1970, but pertains to the determination of the cost of securities sold, the change has no material cumulative effect. (See Note 3 of Notes to Consolidated Financial Statements.)

(E) Income Taxes

Golconda's effective tax rates for earnings from continuing operations are different than the Federal statutory rates. The following table analyzes these differences:

	1970	1971	1972	1973	1974
Statutory rates - Federal	49.6	48.0%	48.0%	48.0%	48.0%
Impact of capital gains rates on investment income	(3.8)	(4.8)	(3.3)	(6.2)	(17.2)
Investment tax credits and profits of Domestic International Sales Corporation	-	(1.0)	(1.8)	(4.9)	(1.8)
State taxes and other	(3.1)	(5.4)	(.1)	1.3	2.4
	42.7%	36.8%	42.8%	38.2%	31.4%

Tax law allows or requires the determination of taxable income in a manner different from generally accepted accounting principles. The table below reconciles earnings of continuing operations per the accompanying financial statement to currently payable taxes (computed at each years' effective tax rate).

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	1970	1971	1972	1973	1974
	(in thousands)				
Income from continuing operations before income taxes -	$ 755	$1,870	$2,995	$5,025	$10,936
Investment earnings not currently taxable due to use of installment sales tax treatment (1974) and specific identification costing	30	(306)	(610)	(529)	(6,709)
Excess of tax over book depreciation	(49)	(120)	(226)	(310)	(308)
Commissions on Domestic International Sales Corporation	-	-	(105)	(195)	195
Reserves not currently deductible for tax purposes--primarily related to inventory	-	-	-	-	900
Other	88	13	203	(284)	304
Current taxable income	$ 824	$1,457	$2,257	$3,707	$ 5,318
Current income tax provision	$ 352	$ 536	$ 966	$1,416	$ 1,670

The provision for income taxes consists of:

	1970	1971	1972	1973	1974
	(in thousands)				
Current					
Federal	$(291)	$ 337	$ 892	$1,316	$ 1,818
State	124	33	68	169	111
Deferred	(30)	104	316	505	813
	$(197)	$ 474	$1,276	$1,990	$ 2,742
Allocated to:					
Continuing operations	$ 322	$ 688	$1,282	$1,921	$ 3,433
Discontinued operations	513	(166)	(6)	69	(691)
Extraordinary items	(1,032)	(48)	-	-	-
	$(197)	$ 474	$1,276	$1,990	$ 2,742

( ) = Benefit

See also Note 1 to Notes to Consolidated Financial Statements.

(F) Extraordinary Items

Extraordinary items consist of the following:

	(in thousands) 1970	1971
Loss on Liquidation of Paris, Ill. plant	$ 2,027	$ -
Provision for settlement of lawsuit related to products of Paris, Ill.	-	100
	2,027	100
Tax Benefit	(1,032)	(48)
Net Extraordinary Loss	$ 995	$ 52

Golconda discontinued operations of its Paris, Illinois manufacturing plant in 1970. However, since operating results were not significant, the consolidated statement of earnings for 1970 was not restated to treat results of operations as an extraordinary item.

In accordance with the provisions of Accounting Principles Board Opinion 30, effective October, 1973, the above items would have been charged to continuing operations. However, Opinion 30 prohibits restating prior year financial statements for conformity. Had the 1970 and 1971 statements of consolidated operations been restated, earnings from continuing operations would have been reduced by the respective amounts above.

(G) Earnings Per Share

Primary earnings per share for the fiscal years 1970 through 1972 are based on the weighted average number of common shares outstanding during each period. Primary earnings per share for fiscal 1973 and calendar year 1974 were computed by dividing net earnings by the average number of common and common equivalent (preferred stock) shares outstanding. For the years 1973 and 1974, such preferred stock had a dilutive effect on earnings per share, whereas such stock had an anti-dilutive effect for the years prior to 1973. (See Note 2 of Notes to Financial Statements.)

The preferred dividends paid and deducted in arriving at earnings available for common shares in 1970, 1971, and 1972 were $455,000, $413,000 and $399,000, respectively.

(H) Dividends

Dividends per common share are those paid by Golconda Corporation only and do not reflect the dividend policies of Astro Controls, Inc. prior to its merger with Golconda.

MANAGEMENT ANALYSIS OF VARIATIONS IN CONTINUING OPERATIONS

Manufacturing

In 1970, sales declined by approximately 6% due to the shutdown in the third quarter of the Paris division. However, earnings declined more severely due to a one-time discretionary bonus paid to all employees, inability to pass along increased manufacturing costs at the RegO division, higher salaries to administrative personnel and consulting fees.

There was a 15% sales drop in 1971 caused by the full year impact of the shutdown of the Paris division and reduced sales to two RegO contract customers. Earnings increased from 1970 reflecting the impact of higher sales prices at the RegO division and reduced administrative expenses.

Sales increased 19% in 1972, of which the acquisition of Anderson Copper and Brass (Anderson) division in mid-year accounts for 5% and the balance is from sharply higher sales at RegO division. Earnings increased by 46% due to higher sales, cost control programs and reduced interest expense.

Sales rose by 22% in 1973, 8% of which is the full year impact of Anderson, and continued growth of the RegO division. Earnings increased by 24% due to higher sales and improved gross profit margins from reduced manufacturing costs. Operating expenses increased substantially due to higher selling expenses and commissions on increased sales, the full year impact of Anderson, costs for new computer applications and services from an outside service bureau and an incentive bonus plan.

Net sales decreased 4% in 1974; however, the volume decline was much steeper as the company was partially able to offset lost volume by increased prices. The lower volume is principally attributable to the depressed conditions in the liquid petroleum gas industry. Earnings were severely impacted by the reduced volume, start-up problems at the new Golconda Metals division (GMD) and by reserves provided to protect against losses on receivables, inventories and the sale of certain equipment. The reserves were considered appropriate in the depressed general economic conditions and the particularly hard hit liquid petroleum gas industry. Start-up of GMD results in increases in operating expenses such as maintenance and repairs, depreciation and real estate taxes on the new plant. Increased interest expense reflects the cost of financing working capital requirements at RegO and GMD. Higher amounts of other income are due to interest earned on a note received from Cerro Corporation on the sale of Hecla stock.

Investments

Investment earnings fell in 1970 when Hecla Mining Company discontinued its cash dividend. Earnings in subsequent years reflect sales of Hecla common stock at market prices in the applicable years.

The principal plants operated by Golconda Corporation are listed below with their location, square footage, and the principal products manufactured at each location.

Division	Location	Floor Area (Square Feet)	Acreage (Where Appl.)	Principal Products	Owned or Leased
RegO	Chicago, Illinois	347,000	19.2	Valves & Controls	Owned (1)
RDC	Upper Saddle River, N.J. & Chicago, Illinois	9,000	-	Distribution Center	Leased (2)
Pioneer Astro	Chicago, Illinois	93,000	-	Precision Machining	Leased (3)
Anderson	Alsip, Illinois	29,000	1.7	Brass Fittings	Owned
Golconda Metals	Alsip, Illinois	25,000	1.6	Brass Forgings	Owned
Corporate	Alsip, Illinois	-	5.4	Vacant Land	Owned

(1) See Note 5 of Notes to Financial Statements concerning a mortgage on this plant.

(2) Comprised of two structures, one owned and located in Chicago, Illinois adjacent to the RegO Division manufacturing facilities; and the other leased and located in Upper Saddle River, New Jersey for an annual rental of $33,000.

(3) The plant and adjacent land are leased for an annual rental of $72,600, plus taxes and insurance (totaling $30,000 in 1973) for a period of five years ending September 30, 1977.

RegO Division operations are conducted in seven adjacent buildings. Manufacturing operations are conducted in a single story brick structure. Two of the remaining six buildings, which are used for storage and warehousing of raw material, semi-finished and finished parts, are of brick construction, and four are metal frame. In total, 243,000 square feet are utilized for manufacturing, 34,000 square feet for divisional and corporate office space, and 70,000 square feet are used for storage and warehousing. Manufacturing machinery and equipment consists of light to medium metal cutting and processing equipment owned by the Company. Normal utilization of plant capacity is estimated at 90% of the 90% practical capacity. Practical capacity is defined as the realizable utilization of rated capacity.

Pioneer Astro Division conducts its manufacturing operations in a single one-story brick structure. Approximately 54,000 square feet are utilized for manufacturing, 21,000 square feet for warehousing and storage and 18,000 square feet for office space. All of its manufacturing equipment falls into the category of standard and specialized precision metal working machinery. Current utilization of Pioneer's facilities is approximately 70%.

Anderson Copper and Brass Division's manufacturing facilities consist of a one-story expandable concrete and steel building. Space is divided into 27,000 square feet for manufacturing and related facilities and 2,000 square feet for office functions. Normal operations are at 75% of capacity.

Golconda Metals Division's facility consists of one pre-fabricated concrete single story structure. Space is divided into 23,000 square feet for manufacturing and 2,000 for administrative and office functions. Operations are at 20% of planned capacity.

Golconda owns all of the significant machinery and equipment used in its operations and considers that its plants and equipment, whether owned or leased, are well maintained, adequately insured, and with normal additions and improvements, adequate for its present and foreseeable requirements.

Golconda Corporation owns or controls through stock interests approximately 2,500 acres of undeveloped mineral properties in the silver bearing Coeur d'Alene District of Idaho. The Company also owns an assortment of buildings, sheds, and other pieces of apparatus connected with discontinued operations of the Golconda mine closed in 1957 due to exhaustion of known ore reserves and low metal prices. These structures do not constitute substantial capital properties.

ITEM 4 PARENTS AND SUBSIDIARIES

Parent

Cerro Corporation, a New York corporation, located at 300 Park Avenue, New York, New York 10022, owns 85% of the outstanding voting stock of the registrant and may be deemed to be a parent of Golconda Corporation.

Subsidiaries

Golconda Corporation has various subsidiaries under various names, all of which in the aggregate as a single subsidiary would not constitute a significant subsidiary.

Item 5 PENDING LEGAL PROCEEDINGS

See Note 8 of Notes to Consolidated Financial Statements.

Two complaints have been filed against the Company by the Metropolitan Sanitary District of Greater Chicago alleging that the Company's Anderson Copper and Brass plant in Alsip, Illinois and the Company's RegO Division facilities in Chicago have violated applicable ordinances through discharge of acids and metals into the Metropolitan Sanitary District sewer system. The complaints seek to halt the allegedly illegal discharges and other appropriate relief. The Company believes that these matters can be settled and compliance demonstrated without any material liability or expense to the Company.

There are no other pending material legal proceedings, other than ordinary routine litigation incidental to the business to which the Company or any of its subsidiaries has become a party or of which any of their property has become the subject.

ITEM 6 INCREASES AND DECREASES IN OUTSTANDING EQUITY SECURITIES

(A) Cumulative Convertible Preferred Stock (Par value $1.00 per share)

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding
Balance - December 1, 1973			383,212
Conversion to Common Shares	April, 1974	(55)	383,157
Balance - December 31, 1974			383,157

(B) Common Stock (No par value)

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding (1)
Balance - December 1, 1973			2,785,513
Conversion of Preferred Stock to Common Shares	April, 1974	82	2,785,595
Balance - December 31, 1974			2,785,595

(1) Exclusive of treasury shares (71,250 at December 1, 1973 and December 31, 1974)

(C) 7% Convertible Subordinated Debentures due January 1, 1990

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding
Balance - December 1, 1973			4,441,000
Purchased by Company	January & December, 1974	(14,000)	4,427,000
Balance - December 31, 1974			4,427,000

(D) Warrants to Purchase Common Stock @ $14.51 per share expiring January 15, 1979

Description of Transaction	Date of Transaction	Increase (Decrease) in Number	Amount Outstanding (1)
Balance - December 1, 1973			292,467
Balance - December 31, 1974			292,467

(1) Exercisable from January 15, 1969, expiring January 15, 1979.

ITEM 7 APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS

$1.00 Cumulative Convertible Preferred Stock, $1.00 par value	650
Common Stock, no par value	1,520
7% Convertible Subordinated Debentures due January 1, 1990	650
Warrants expiring January 15, 1979 (each to purchase one share of common stock at $14.51 per share)	4

ITEM 8 EXECUTIVE OFFICERS OF THE REGISTRANT

All officers are elected by the board of directors and serve at the pleasure of the board.

Gordon Paul Smith (58) - Chairman of the Board of Directors (June 27, 1974) previously President and Chief Executive Officer, Chairman of the Executive Committee, Vice Chairman of the Board and Director.

Prior to November, 1970, Mr. Smith was a vice president of Booz, Allen & Hamilton, Inc., an international management consulting organization. He became a director of Golconda in September, 1970 and subsequently was named to the executive committee of the board which he served as chairman. He was elected president and chief executive officer as of February 1, 1972.

Richard S. Sloma (45) - President and Chief Executive Officer (June 27, 1974) previously Executive Vice President and Chief Operating Officer. President of the RegO Division. Director and member of executive committee.

Prior to May, 1970, Mr. Sloma was president of ITT's Abrasive Products Company. He joined the RegO Division of Astro Controls, Inc. in June, 1970 which merged with Golconda in September, 1970 and continued to serve as such until December, 1971 when he assumed responsibility for all manufacturing operations of Golconda. He was elected a director in April, 1972 and named executive vice president, chief operating officer as of December 1, 1972.

John M. Stogin (45) - Secretary and Vice President-Corporate Counsel

In 1969, Mr. Stogin was vice president-finance of The Bastian-Blessing Company. That company was consolidated in May, 1969 to form Astro Controls, Inc. and he then became vice president-legal and finance and a director of Astro. The latter company was merged with Golconda in September, 1970 and he continued as vice president-legal and finance until March, 1971 when he became vice president-corporate counsel for the company. He was elected to the additional post of secretary in February, 1972.

Frederick F. Schauder (36) - Vice President-Finance and Treasurer

Mr. Schauder was appointed as a director on September 12, 1974 and vice president-finance and treasurer on March 20, 1975. He is also vice president and controller of Cerro Corporation's Manufacturing Group. Prior to joining Cerro in 1973, he spent ten years with Arthur Andersen & Co.

Charles B. Cranford (37) - Vice President-Controller

Since joining the company in January, 1973 Mr. Cranford has served as controller of both the corporation and its RegO Division. He was promoted to his present position in January, 1974. Prior to joining Golconda, he served as division controller and in other accounting assignments for the AMF Corporation.

Rocco R. Del Presto (50)- Vice President; President Bastian-Blessing Division

Since joining the company in August, 1971, Mr. Del Presto has served in various managerial capacities with the RegO and Bastian-Blessing Divisions of the company. He was named general manager of the Bastian-Blessing Division in January, 1972 and was elected a corporate vice president as of December 1, 1972. Prior to August, 1971, he was vice president and general manager of ITT's Nesbitt Company ($50,000,000 sales). (This division was sold in February, 1975 and Mr. Del Presto became an employee of the purchaser.)

Wray Featherstone (62) - Vice President; President Golconda Mining Corporation. Director.

Mr. Featherstone has almost forty years of experience in the mining field and is responsible for all of the company's mining activities in the Wallace, Idaho area.

Richard H. Watson (53) - Vice President-Personnel & Organizational Planning

Mr. Watson was director of industrial relations in 1969 when The Bastian-Blessing Company was consolidated into Astro Controls, Inc. which in September, 1970 merged with Golconda Corporation. He served as director of industrial relations for those companies until December 1, 1972 when he was named a corporate vice president responsible for personnel and organizational planning.

Donald V. Ytterberg (48)- Vice President; President Anderson Copper and Brass Division

Mr. Ytterberg was a vice president of the Anderson Copper and Brass Company when it was acquired by Golconda in July, 1972. He was named a corporate vice president as of December 1, 1972.

ITEM 9 INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) "Any present or future director or officer, or the executor, administrator or other legal representative of any such director or officer, shall be indemnified by the corporation against reasonable costs, expenses (exclusive of any amount paid to the corporation in settlement), judgments, fines, amounts paid in settlement of any action, suit or proceedings, and counsel fees paid or incurred in connection with any action, suit or proceeding to which legal representative may hereafter be made a party by reason of his being or having been such director or officer; provided, (1) said action, suit or proceeding shall be prosecuted against such director or officer or against his executor, administrator or other legal representative to final determination, and it shall not be finally adjudged in said action, suit or proceedings that he had been derelict in the performance of his duties as such director or officer, or (2) said action, suit or proceeding shall not be settled or otherwise terminated as against such director or officer or his executor, administrator or other legal representative without a final determination on the merits, and it shall be determined that such director or officer had not in any substantial way been derelict in the performance of his duties as charged in such action, suit or proceeding, such determination to be made by a majority of the members of the board of directors who were not parties to such action, suit or proceeding, though less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the board of directors. For purposes of the preceding sentence: (a) "action, suit or proceeding" shall include every action, suit or proceeding, civil, criminal or other; (b) the right of indemnification conferred thereby shall extend to any threatened action, suit or proceeding and the failure to institute it shall be deemed its final determination; (c) the termination of an action, suit or proceeding by a plea of nolo contendere or other like plea shall not constitute a final determination on the merits; (d) a judgment of conviction in any criminal action, suit or proceeding shall not constitute a determination that the person so convicted has been derelict in the performance of his duties if it is determined by a majority of the members of the board of directors who were not a party thereto, though less than a quorum, or by one or more disinterested persons in the manner provided in the preceding sentence that the person so convicted acted in good faith, for a purpose which he reasonably believed to be in the best interests of the company and that he had no reasonable cause to believe that his conduct was unlawful; and (e) advances may be made by the company against costs, expenses and fees as, and upon the terms, determined by the board of directors. The corporation shall indemnify an employee who is not an officer to the same extent that it does an officer. The foregoing right of indemnification shall not be exclusive of any other rights to which any director or officer may be entitled as a matter of law or which may be lawfully granted to him; and the indemnification hereby granted by the company shall be in addition to and not in restriction or limitation of any other privilege or power which the corporation may lawfully exercise with respect to the indemnification or reimbursement of directors, officers or employees."

ITEM 10

GOLCONDA CORPORATION AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

November 30, 1973 and December 31, 1974

Schedules not included above are omitted as either not applicable or not required or the required information is included in Notes to Consolidated Financial Statements.

The individual financial statements of the Registrant are omitted because consolidated financial statements are filed and because the Registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements are totally-held subsidiaries.

LS 000040

Golc - CDA dm - 0041

To the Shareholders and
Board of Directors of

Golconda Corporation

We have examined the consolidated balance sheet of Golconda Corporation (a subsidiary of Cerro Corporation) and its subsidiaries as of December 31, 1974 and the related consolidated statements of earnings, retained earnings, additional contributed capital, appearing elsewhere herein, and changes in financial position and schedules for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In 1973, the accounting profession changed the criteria for determining the types of items to be reported as extraordinary items, and accordingly, the company has reflected these changes in its 1974 consolidated statement of earnings, as described in Note F to the consolidated statement of earnings.

In our opinion, the consolidated financial statements examined by us present fairly the financial position of Golconda Corporation and its subsidiaries at December 31, 1974, the results of their operations and the changes in financial position for the fiscal year then ended, in conformity with generally accepted accounting principles consistently applied during the year except for the change, with which we concur, referred to in the preceding paragraph.

The consolidated financial statements of Golconda Corporation and its subsidiaries for the fiscal year ended November 30, 1973 were examined by other independent accountants.

Price Waterhouse & Co.

Price Waterhouse & Co.

Chicago, Illinois
February 27, 1975, except as
to Note 10, which is as of
March 14, 1975

LS 000041

Golc - CDA dm - 0042

AUDITORS' REPORT

Board of Directors and Stockholders
Golconda Corporation

We have examined the consolidated balance sheet of Golconda Corporation and Subsidiaries as of November 30, 1973 and the related consolidated statements of earnings, retained earnings, additional contributed capital and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Golconda Corporation and Subsidiaries as of November 30, 1973 and the consolidated results of their operations and changes in their financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined Schedules V, VI, VII, XII and XVI which are included in this report for the year ended November 30, 1973 and in our opinion, these schedules present fairly the information required to be set forth therein.

Alexander Grant & Company
Alexander Grant & Company

Chicago, Illinois
December 31, 1973, except as to
Notes B and 9 for which the
date is February 13, 1975.

LS 000042

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GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

November 30, 1973 and December 31, 1974

ASSETS

CURRENT ASSETS	1973	1974
Cash	$ 479,000	$ 1,827,000
Certificates of Deposit	750,000	-
Notes and Accounts Receivable less allowance for doubtful receivables (1973 - $81,000; 1974 - $268,000) (Schedule XII)	8,913,000	5,556,000
Note receivable from Cerro Corporation, including interest (Note 3)	-	9,242,000
Inventories (Note 1) (Schedule XII)	19,714,000	17,518,000
Prepaid expenses and sundry deposits	189,000	82,000
Net Assets of Division Sold (Notes 9 and B)	-	4,660,000
Total current assets	30,045,000	38,885,000
INVESTMENTS - AT COST less reserve of $175,000 at December 31, 1974 for market decline (Notes 1 and 3)	3,418,000	613,000
PROPERTY, PLANT AND EQUIPMENT - AT COST (Notes 1 and 5) (Schedules V & VI)		
Buildings and Improvements	4,947,000	3,396,000
Machinery, equipment and tools	13,066,000	12,356,000
Office furniture and fixtures	523,000	409,000
	18,536,000	16,161,000
Less accumulated depreciation	(9,078,000)	(8,084,000)
	9,458,000	8,077,000
Land	691,000	839,000
	10,149,000	8,916,000
OTHER ASSETS		
Excess of cost over underlying equity of net assets acquired (Notes 1 & B) (Schedule VII)	4,375,000	3,135,000
Deferred debt expense - less amortization on the bonds outstanding method (1973-$91,000; 1974-$160,000)	570,000	410,000
Sundry	508,000	297,000
	5,453,000	3,842,000
TOTAL ASSETS	$49,065,000	$52,256,000

The accompanying notes are an integral part of this statement.

LS 000043

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

November 30, 1973 and December 31, 1974

LIABILITIES

CURRENT LIABILITIES	1973	1974
Current maturities of long-term debt (Note 5)	$ 896,000	$ 80,000
Notes payable - banks (Note 4)	3,635,000	8,000,000
Accounts payable	5,688,000	2,352,000
Income taxes		
Currently payable	878,000	1,420,000
Deferred	-	1,136,000
Accrued Liabilities		
Salaries, Wages, etc.	673,000	193,000
Property and Payroll Taxes	426,000	315,000
Interest	239,000	79,000
Employee Benefits	129,000	181,000
Other	191,000	56,000
Total current liabilities	12,755,000	13,812,000
LONG-TERM DEBT (Note 5)	10,192,000	7,058,000
DEFERRED INCOME TAXES (Note 1)	1,153,000	964,000
COMMITMENTS, CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS (Notes 3, 4, 6 and 8)	-	-
STOCKHOLDERS' EQUITY (Notes 5 & 7) Capital Stock		
Preferred (Redemption and liquidation value - 1973 $14,370,000; 1974 $14,368,000)	383,000	383,000
Common	774,000	774,000
Additional contributed capital	5,674,000	5,674,000
Retained earnings	18,654,000	24,111,000
	25,485,000	30,942,000
Less treasury stock - at cost	520,000	520,000
	24,965,000	30,422,000
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$49,065,000	$52,256,000

The accompanying notes are an integral part of this statement.

LS 000044

Golc - CDA dm - 0045

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES

IN FINANCIAL POSITION

	Year Ended November 30, 1972	Year Ended November 30, 1973	Year Ended Dec. 31, 1974
SOURCES OF WORKING CAPITAL			
From Operations:			
Earnings from continuing operations	$1,814,000	$3,125,000	$ 7,503,000
Earnings (loss) from discontinued operations	(108,000)	76,000	(1,942,000)
Add (deduct) expenses not requiring outlay of working capital			
Provision for depreciation	765,000	896,000	1,192,000
Amortization of deferred expenses	111,000	91,000	153,000
Deferred income taxes	316,000	505,000	(189,000)
Cost of investments sold	306,000	742,000	2,382,000
Reserve for decline in value of investments	-	-	175,000
Write-down of asset held for sale	-	-	237,000
Write-off of excess cost over underlying equity of net assets acquired	-	-	1,240,000
Working capital provided from operations	3,204,000	5,435,000	10,751,000
Net fixed assets of Division sold	-	-	1,695,000
Reduction of long-term notes receivable	329,000	48,000	298,000
Long-term borrowings	859,000	-	-
Cash surrender value of life insurance policies	73,000	52,000	-
Increase in working capital for December, 1973 (Note A)	-	-	405,000
Total sources of working capital	4,465,000	5,535,000	13,149,000
DISPOSITIONS OF WORKING CAPITAL			
Net additions to property, plant and equipment	625,000	3,714,000	1,890,000
Reduction of long-term debt	1,825,000	990,000	3,098,000
Purchase and retirement of preferred stock	144,000	81,000	-
Preferred cash dividends declared	399,000	385,000	383,000
Plant and equipment purchased through acquisitions	854,000	-	-
Sundry	168,000	149,000	(5,000)
Total dispositions of working capital	4,015,000	5,319,000	5,366,000
INCREASE IN WORKING CAPITAL	$ 450,000	$ 216,000	$ 7,783,000

INCREASES (DECREASES) IN WORKING CAPITAL COMPONENTS:	Year Ended Nov. 30, 1972	Year Ended Nov. 30, 1973	13 Mos. Ended Dec. 31, 1974
Cash and certificates of deposit	$(445,000)	$(582,000)	$ 598,000
Notes & accounts receivable-net	2,269,000	(1,070,000)	5,885,000
Inventories	2,736,000	3,744,000	(2,196,000)
Prepaid expenses & sundry deposits	93,000	(20,000)	(107,000)
Net assets of Division sold	-	-	4,660,000
Net increase (decrease) in current assets	4,653,000	2,072,000	8,840,000

LS 000045

(continued)

Golc - CDA dm - 0046

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES

IN FINANCIAL POSITION

	Year Ended November 30, 1972	Year Ended November 30, 1973	Dec. 31, 1974
Current maturities of long-term debt	$ 476,000	$(139,000)	$(816,000)
Notes payable	(330,000)	2,043,000	4,365,000
Accounts payable	3,165,000	156,000	(3,336,000)
Income taxes	569,000	(30,000)	1,678,000
Accrued liabilities	323,000	(174,000)	(834,000)
Net increase (decrease) in current liabilities	4,203,000	1,856,000	1,057,000
INCREASE (DECREASE) IN WORKING CAPITAL	$ 450,000	$ 216,000	$ 7,783,000

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 1973 AND DECEMBER 31, 1974

Note 1: SUMMARY OF ACCOUNTING POLICIES

CONSOLIDATION - All operating subsidiaries are consolidated and significant inter-company transactions have been eliminated.

NOTE REFERENCES - In the accompanying financial statements, alphabetic note references are to Notes to Consolidated Statement of Earnings included elsewhere herein.

INVENTORIES - Inventories are stated at the lower of cost (determined by the first-in, first-out method) or market. Inventories are comprised of the following:

	(in thousands)			
	November 30,		December 31,	
	1972	1973	1973	1974
Finished Goods and Work in Process	$11,852	$14,786	$16,598	$14,685
Raw Materials and Supplies	4,118	4,928	3,718	2,833
Total	$15,970	$19,714	$20,316	$17,518

INVESTMENTS - Golconda carries its investments in mining companies (except Alice Consolidated Mines, Inc. - Alice) on the cost basis. Reserves are provided for declines in market value. Alice is accounted for on the equity method. Gains or losses on sales are determined based on the average cost of securities.

DEPRECIATION - For financial reporting purposes, the Company computes depreciation principally on a straight-line basis over the estimated useful life of the assets. The estimated service lives and methods used in determining depreciation are as follows:

Description	Service Lives	Method of Depreciation
Buildings and improvements	8 to 50 years	Straight-line
Machinery	5 to 20 years	Straight-line
Furniture and fixtures	8 to 20 years	Straight-line
Land improvements	20 years	Straight-line
Leasehold improvements	Life of asset or term of lease, whichever is shorter	Straight-line

Maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with the depreciation taken prior to the sale with any resultant gain or loss reflected in earnings.

INCOME TAXES - Provision is made for deferred taxes which arise primarily from the use for tax purposes of accelerated depreciation methods and timing differences in the recognition of investment income. Available investment tax credits on capital additions are accounted for under the "flow-through" method (1974-$43,000; 1973-$149,000). The investment tax credit and the effect of the use of a Domestic International Sales Corporation resulted in reductions of the Federal income tax provision of $180,000 and $247,000 in 1974 and 1973, respectively.

Effective June 2, 1974, Golconda will be included in the consolidated Federal tax return of Cerro Corporation. Under Cerro's tax policy, each subsidiary computes its Federal tax liability and expense on a separate company basis and remits to Cerro the amount of liability determined. In this connection, Golconda will pay Cerro approximately $1,136,000 in 1975 applicable to the current deferred tax liability at December 31, 1974. State income tax returns are filed on an individual company basis.

LS 000047

RESEARCH AND PRODUCT DEVELOPMENT COST - The Company follows the practice of expensing research costs as incurred.

EXCESS OF COST OF ACQUIRED COMPANIES OVER EQUITY - The amount shown on the balance sheet arose prior to fiscal year 1971 and is not being amortized because, in the opinion of management, there has been no diminution of value.

PENSION PLANS - Unfunded past service costs are being funded on a thirty-year basis; current costs are being funded as accrued.

Note 2: EARNINGS PER SHARE

Earnings per common and common equivalent share were computed for 1973 and 1974 by dividing net earnings by the average number of common and common equivalent (preferred stock) shares outstanding (3,365,000 in 1973 and 3,360,000 in 1974). Fully diluted earnings per share were determined on the assumption that the average number of common and/or common equivalent shares outstanding was further increased (to 3,793,000 shares in 1973 and 3,776,000 shares in 1974) by conversion as of the beginning of each year of the convertible debentures outstanding. Warrants have not been reflected in the computation because they are antidilutive.

Note 3: INVESTMENTS

At November 30, 1973 and December 31, 1974 investments were comprised principally of capital stock of mining companies and are as follows:

	November 30, 1973		December 31, 1974	
	Cost	Quoted Market Price	Cost	Quoted Market Price
Hecla Mining Company (None in 1974; 507,327 shares in 1973)	$2,630,000	$ 7,483,000	$ -	$ -
Alice Consolidated Mines, Inc. (54% owned) (4,308,020 shares in 1973 and 1974)	399,000	2,671,000	399,000	1,508,000
Other, net of reserve	389,000	415,000	214,000	388,000
	$3,418,000	$10,569,000	$613,000	$1,896,000

LS 000048

Note 3 (continued)

Earnings from investments for the years ended November 30, 1973 and December 31, 1974 are summarized below:

	1973	1974
Net realized gain on sales of Hecla Mining Company stock:		
Shares sold to Cerro Corporation	$ -	$ 8,033,000
Shares sold to Others	1,753,000	2,508,000
Expenses including interest of $87,000 and None, respectively	(172,000)	(101,000)
Reserve for market decline of certain investments	-	(175,000)
Investment earnings before income taxes	$1,581,000	$10,265,000

The sale of Hecla stock to Cerro was completed on a basis which resulted in Golconda receiving $916,651 in cash and $9,000,000 in a 2-1/2 year promissory note of Cerro which bears interest at 110% of the prime rate. On January 24, 1975 the note was prepaid by Cerro together with accrued interest.

Alice Consolidated Mines, Inc. (Alice) owns 1,109 acres of mining properties. Hecla Mining Company and Alice Consolidated Mines, Inc. are engaged in an exploration and development program to be conducted by Hecla on this property. The Company has a 20 percent participation in the pre-production costs for the exploration and development program. The Company's expenditures are expected to amount to $200,000 over a five-year period, and to commence in 1975. The Company will receive 20 percent of the net profits, if any, until such pre-production costs have been recovered, and 10 percent thereafter. The realization of the Company's investment in Alice is dependent upon the success of the exploration and development program.

Note 4: SHORT-TERM DEBT AND COMPENSATING BALANCES

At December 31, 1974, the Company has a $3,000,000 line of credit agreement at a major Chicago bank which provides for unsecured borrowings until May 31, 1975, generally for periods of ninety days, at the bank's prime interest rate. Continuation of this line of credit is subject to the terms and conditions of the bank, such as the maintenance of average collected balances, and management believes that the line will be reviewed and renewed at May 31, 1975.

Maximum short-term borrowing during 1974 was $4,600,000, and, based upon a weighted average month-end computation, the average balance outstanding was $2,181,000 and the weighted average interest rate was 10.43 percent.

The $8,000,000 note payable to bank arose in conjunction with the sale of Hecla shares (see Note 3) and, although originally a long-term borrowing, has been classified as short-term in the balance sheet because the proceeds of the Cerro note receivable (see Note 3) were used to retire this obligation on January 25, 1975.

There are no withdrawal restrictions on cash balances maintained at the bank. However, in connection with the $3,000,000 line of credit and the $8,000,000 note payable to bank, the Company has agreed to maintain an average collected balance of 10% of the unused line (20% on any used portion) and 10% of the note payable. At December 31, 1974, the cash balance shown in the balance sheet principally represented this compensating balance after adjusting for float. Float (negative at December 31, 1974) is comprised of $550,000 of unpresented checks less $150,000 of deposits in transit and $1,200,000 representing one day's deposits.

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Note 5: LONG-TERM DEBT

Long-term debt at November 30, 1973 and December 31, 1974 is comprised of the following:

	(in thousands) 1973	1974
7% convertible subordinated debentures due January 1, 1990	$ 4,441	$ 4,427
10% first mortgage note payable in monthly instalments of $28,975 including interest, final payment due April 1, 1990	2,790	2,711
7% subordinated notes payable to insurance companies	2,750	
Note payable to a bank with interest at prime plus 3/4%	1,107	-
	11,088	7,138
Less current maturities	896	80
	$10,192	$ 7,058

The aggregate amounts of long-term debt maturing in each of the five years subsequent to December 31, 1974 are as follows:

1975	$ 80,000
1976	165,000
1977	423,000
1978	433,000
1979	444,000

The 7% convertible subordinated debenture agreement contains certain covenants, the most restrictive of which provide, among other things, that the Company:

Will maintain consolidated net working capital of $10,000,000. At December 31, 1974, consolidated net working capital was $25,073,000.

Will not pay cash dividends or acquire for cash any shares of its stock in excess of $1,000,000 plus its cumulative consolidated net income after November 30, 1969. At December 31, 1974, retained earnings in the amount of $10,256,000 were free of such restrictions.

In connection with the 7% subordinated note agreements, the Company has issued warrants entitling the holders thereof to purchase, at a price per share of $14.51, up to 292,467 shares of the Company's common stock. These warrants expire January 15, 1979.

The trust indenture underlying the convertible subordinated debentures provides, among other things, that the debentures are redeemable at the Company's option at prices ranging from 104.5% in 1975 to 100% in 1984; that annual sinking fund payments of $325,000 are required beginning in 1976 (such payments can be reduced by the principal amount of debentures acquired by the Company or converted into common stock, as a result all of the 1976 installment and all but $77,000 of the 1977 installment have already been satisfied), that the Company has an option to make additional annual payments of $325,000 beginning in 1975 and that the debentures are convertible into shares of common stock at a conversion price of $10.67 per share (subject to non-dilution provisions).

Note 6: EMPLOYEE BENEFIT PLANS

The Company has various benefit plans, including pension and executive incentive compensation plans, covering a substantial portion of its employees. Provisions for these plans for the year ended December 31, 1974 were $436,000 and $359,000 for the continuing operations and discontinued operations, respectively. The pension plan is for substantially all salaried employees and full time hourly rated employees of all of the Company's divisions. The actuarially computed values of vested benefits and unfunded prior service cost for all of the continuing plans as of December 1, 1974 exceed the total of the pension funds by $2,900,000 and $3,700,000, respectively. The charges to continuing operations for the cost of the pension plans for the years ended December 31, 1974 and November 30, 1973 were $381,000 and $320,000, respectively. Management believes that the requirements of the new Pension Law will not materially affect the cost of the Company's pension plans.

In connection with the sale of the Bastian-Blessing Division (see Note 9), the Company has agreed to transfer the pension fund assets applicable to Bastian-Blessing Division employees to separate plans and the buyer has agreed to assume all liability with respect to pensions attributable to Bastian-Blessing employees. This assumption resulted in reduction of the Company's December 1, 1974 unfunded vested benefit and unfunded prior service liabilities by $2,000,000 and $2,200,000, respectively. In the absence of regulations or interpretations of the new Pension Law, it is not possible to say that Golconda will not be liable for the failure or inability of the buyer to honor the terms of the pension plans. The Bastian-Blessing Division charges for the cost of its pension plans for the years ended December 31, 1974 and November 30, 1973 were $311,000 and $256,000, respectively.

Note 7: CAPITAL STOCK

Preferred stock consists of 934,406 authorized shares of $1.00 par value, of which 383,157 shares are issued and outstanding at December 31, 1974.

The preferred stock is entitled to a preferential cumulative annual dividend at a rate of $1.00 per share. The shares are redeemable at the option of the Company at $37.50 per share plus unpaid cumulative dividends. The aggregate redemption and liquidation value at December 31, 1974 is $14,368,387. The preferred stock has liquidation rights over the common stock in any final distribution and is entitled to one vote for each share held.

The preferred shares are convertible into common shares at the option of the holder at the rate of one and one-half shares common stock for each preferred share held. This conversion rate is subject to non-dilution provisions.

Common stock consists of 7,500,000 authorized shares, without par value, of which 2,785,595 shares are outstanding. At December 31, 1974, 1,282,103 shares of authorized but unissued common shares have been reserved as follows: 574,735 shares upon conversion of preferred stock; 414,901 shares upon conversion of the 7% convertible subordinated debenture (Note 5): 292,467 shares upon exercise of warrants for the purchase of common stock (Note 5). At December 31, 1974, there are 71,250 shares of common stock held in treasury.

During 1974, Cerro Corporation acquired 2,411,325 common shares and 281,635 preferred shares representing 86.6% and 73.5% of the total outstanding, respectively.

An analysis of the transactions during the year ended November 30, 1973 and the thirteen months ended December 31, 1974 affecting preferred and common stock, additional contributed capital and treasury stock follows:

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Note 7 (continued)

	Preferred Stock	Common Stock	Additional Contributed Capital	Treasury Stock
Balance at December 1, 1972	$ 390,204	$ 773,055	$5,747,583	$(519,600)
Purchase and retirement of 6,400 shares of preferred stock	(6,400)		(74,044)	
Conversion of 592 shares of preferred stock into 888 shares of common stock	(592)	592		
Balance at November 30, 1973	383,212	773,647	5,673,539	(519,600)
Conversion of 55 shares of preferred stock into 82 shares of common stock	(55)	55		
Balance at December 31, 1974	$ 383,157	$ 773,702	$5,673,539	$(519,600)

Note 8: CONTINGENT LIABILITIES

The Company is one of 35 defendants in an alleged class action by a shareholder of United States National Bank of San Diego, in Fred H. Harmsen, et al vs. C. Arnholt Smith, et al., filed on October 29, 1973, in the United States District Court for the Southern District of California. The plaintiff purports to be acting in a derivative capacity on behalf of the shareholders of the bank. The complaint seeks damages and other relief on behalf of the shareholders of the bank on account of alleged violations of federal securities laws, illegal loans, improper acts of the bank's directors, and conspiracy to commit the foregoing acts and fraud.

In the opinion of the Company, the exposure of Golconda Corporation to any liability seems very remote in that the corporation's only connection with the United States National Bank or with C. A. Smith is that some of Golconda Corporation's stock was at one time possessed by one of the Smith-dominated corporations. There have not been any material transactions between the Company and the other defendants and the United States National Bank of San Diego, and it is management's opinion that there are no facts, nor have any been specifically alleged relating to Golconda warranting inclusion of the Company in the complaint. An identical class action suit was filed by plaintiff in the Superior Court in and for the County of San Diego to toll the statute of limitations in the State Court, but to date this suit has not yet been formally served upon Golconda Corporation.

Note 9: SALE OF BASTIAN-BLESSING DIVISION

Refer to Note B of Notes to Consolidated Statement of Earnings for details as to the terms, proceeds, date and loss on the sale of the Bastian-Blessing (B-B) Division. Presented below is a condensed balance sheet of B-B as of December 31, 1974:

	000's
Receivables	$ 3,865
Inventories	3,500
Other current assets	41
	7,406
Current liabilities	(2,541)
Net working capital	4,865
Net fixed assets	1,695
Reserve for loss on sale	(1,900)
Net assets sold	$ 4,660

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Note 10: SUBSEQUENT EVENTS

On March 14, 1975, Golconda entered into a preliminary agreement to sell, subject to approval of the Board of Directors, the business and substantially all of the net assets of the contracts business of its Pioneer Astro Division. Certain of the assets and all liabilities will be sold for cash equal to the net book value at March 31, 1975, the closing date. Contracts in process will be transferred to a joint venture between Golconda and the buyer. The buyer will manage the joint venture and reimburse Golconda for the fair market value of the in-process contracts as the contracts are completed and cash is collected from customers. Golconda and the buyer will share equally in the gains or losses recognized on completing the in-process contracts. Total proceeds from the sale are estimated at $1,628,000 and it is not anticipated that Golconda will suffer any loss on this transaction.

Presented below is condensed 1974 financial information for the Pioneer Astro contract business (in thousands, except per share data). Consolidated financial statements for 1974 have not been restated for this transaction.

Sales	$ 3,741
Net Earnings	$ 83
Net Earnings Per Share	$ .02
Assets -	
Receivables	$ 447
Inventories	632
Net fixed assets	721
	1,800
Liabilities	(172)
Net assets	$ 1,628

Note 11: FOURTH QUARTER RESULTS (UNAUDITED)

The financial information appearing in this note has not been specifically audited by the Company's independent public accountants during the course of their examination of the financial statements for the years ended December 31, 1973 and 1974.

Such information is presented in response to an opinion of the Accounting Principles Board of the American Institute of Certified Public Accountants issued in May, 1973 requiring certain disclosure of fourth quarter results.

Sales and earnings for the fourth quarter of 1973 and 1974 were as follows:

	Three Months Ended December 31, (in thousands)			
	1973		1974	
	Amount	Per Share	Amount	Per Share
Sales -				
Continuing operations	$ 8,144		$ 6,202	
Discontinued operation	4,353		6,747	
	$12,497		$12,949	
Net Earnings (Loss)				
From continuing operations -				
Manufacturing	$ 567	$ .17	$(201)	$(.07)
Investments	727	.21	(334)	(.10)
	1,294	.38	(535)	(.17)
From discontinued operations	(4)	-	(1,957)	(.58)
Net	$ 1,290	$ .38	$(2,492)	$(.75)

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Note 11 (continued)

Sales from continuing manufacturing businesses fell 25% from 1973, principally due to the depressed liquid petroleum gas industry. Earnings from continuing operations were lower because of reduced sales. Because of depressed economic conditions reserves were established against losses on inventories, receivables and for the disposition of certain machinery and equipment.

Discontinued operations sales and earnings were substantially improved over 1973 due to the high number of shipments to McDonalds. However, a reserve for the loss on the sale and the write-off of goodwill attributable to B-B result in a net loss for the quarter of $1,957,000, after tax benefit of $950,000.

Investment earnings for the 1973 quarter include gains on the sale of Hecla Mining Company common stock. There were no similar sales in the fourth quarter of 1974. The 1974 fourth quarter investment earnings were down due to providing a reserve against market decline in the value of mining company stocks and as a result of a change in the estimated tax provision rate.

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GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE V

PROPERTIES

	Balance at Beginning of Period	Additions at Cost	Deductions: Properties of Discontinued Operations	Deductions: Retirements and Sales	Other Changes	Balance at End of Period
Consolidated:						
Year Ended 12/31/74:						
Land	$ 691,000	$ 180,000	$(32,000)	$ -	$ -	$ 839,000
Buildings & Improvements	4,963,000	349,000	(1,896,000)	(20,000)	-	3,396,000
Machinery, Equipment & Tools	13,178,000	1,329,000	(1,565,000)	(290,000)	(296,000)(A)	12,356,000
Furniture & Fixtures	525,000	85,000	(168,000)	(33,000)	-	409,000
	$19,357,000	$1,943,000	$(3,661,000)	$(343,000)	$(296,000)	$17,000,000
Year Ended 11/30/73:						
Land	$ 691,000	$ -	$ -	$ -	$ -	$ 691,000
Buildings & Improvements	4,279,000	717,000	-	28,000	(21,000)(B)	4,947,000
Machinery, Equipment & Tools	10,196,000	2,928,000	-	166,000	108,000 (B)	13,066,000
Furniture & Fixtures	539,000	87,000	-	16,000	(87,000)(B)	523,000
	$15,705,000	$3,732,000	$ -	$ 210,000	$ -	$19,227,000
One Month Ended 12/31/73:						
Land	$ 691,000	-	-	-	-	691,000
Buildings & Improvements	4,947,000	16,000	-	-	-	4,963,000
Machinery, Equipment & Tools	13,066,000	117,000	-	(3,000)	(2,000)(B)	13,178,000
Furniture & Fixtures	523,000	-	-	-	2,000 (B)	525,000
	$19,227,000	$ 133,000	$ -	$(3,000)	$ -	$19,357,000

Transfer to Asset Held for Sale /
Reclassification

GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE VI

ACCUMULATED DEPRECIATION

LS 000056

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Balance of Discontinued Operations	Retirements and Sales	Other	Balance at End of Period
nsolidated:						
ar Ended 12/31/74						
Buildings & Improvements	$2,035,000	$ 249,000	$(863,000)	$(21,000)	$ -	$1,400,000
Machinery, Equipment & Tools	6,842,000	879,000	(1,007,000)	(242,000)	(26,000)(A)	6,446,000
Furniture & Fixtures	299,000	64,000	(98,000)	(27,000)	-	238,000
	$9,176,000	$1,192,000	$(1,968,000)	$(290,000)	$(26,000)	$8,084,000
ar Ended 11/30/73						
Buildings & Improvements	$1,816,000	$ 217,000	$ -	$ 23,000	$ -	$2,010,000
Machinery, Equipment & Tools	6,254,000	642,000	-	153,000	29,000 (B)	6,772,000
Furniture & Fixtures	304,000	37,000	-	16,000	(29,000)(B)	296,000
	$8,374,000	$ 896,000	$ -	$ 192,000	$ -	$9,078,000
e Month Ended 12/31/73						
Buildings & Improvements	$2,010,000	$ 25,000	$ -	$ -	$ -	$2,035,000
Machinery, Equipment & Tools	6,772,000	70,000	-	-	-	6,842,000
Furniture & Fixtures	296,000	3,000	-	-	-	299,000
	$9,078,000	$ 98,000	$ -	$ -	$ -	$9,176,000

Transfer to Assets Held for Sale

Reclassification

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GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE VII

INTANGIBLE ASSETS, DEFERRED RESEARCH AND DEVELOPMENT EXPENSES, PRE-OPERATING EXPENSES AND SIMILAR DEFERRALS

EXCESS OF COST OVER UNDERLYING EQUITY OF NET ASSETS ACQUIRED

	Column B	Column C	Column D	Column E	Column F
Description	Balance at Beginning of Period	Additions at Cost	Deductions	Other Changes	Balance at End of Period
Year Ended 12/31/74	$4,375,000	$ -	(A) $(1,240,000)	$ -	$3,135,000
Year Ended 11/30/73	$4,375,000	$ -	$ -	$ -	$4,375,000
One Month Ended 12/31/73	$4,375,000	$ -	$ -	$ -	$4,375,000

(A) Written off in connection with sale of division.

GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE XII

RESERVES

	Balance at Beginning of Period	Charged Costs and Expenses	Deductions	Balance at End of Period
Continuing Operations				
Allowance for Doubtful Receivables:				
Year Ended 12/31/74	$ 55,000	$292,000	$(79,000) (A)	$268,000
Year Ended 11/30/73	$ 30,000	$ 24,000	$(1,000) (A)	$ 53,000
One Month Ended 12/31/73	$ 53,000	$ 2,000	$ -	$ 55,000
Inventory valuation reserve				
Year Ended 12/31/74	$ -	$900,000	$ -	$900,000
Reserve for Decline in Market Value of Investments				
Year Ended 12/31/74	$ -	$175,000	$ -	$175,000
Discontinued Operations				
Allowance for Doubtful Receivables:				
Year Ended 12/31/74	$ 29,000	$ 64,000	$(7,000) (A)	$ 86,000
Year Ended 11/30/73	$ 22,000	$ 12,000	$(6,000) (A)	$ 28,000
One Month Ended 12/31/73	$ 28,000	$ 1,000	$ -	$ 29,000

(A) Uncollectible accounts written off, net of recoveries.

GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE XVI

SUPPLEMENTARY INCOME STATEMENT INFORMATION

	Year Ended 12/31/74	Year Ended 11/30/73	One Month Ended 12/31/73
Continuing Operations:			
Maintenance & Repairs	$ 782,000	$ 689,000	$ 19,000
Depreciation of Property, Plant & Equipment	992,000	719,000	77,000
Taxes Other Than Income Taxes:			
Real Estate & Personal Property	428,000	262,000	28,000
Payroll	852,000	846,000	73,000
Sundry	1,000	7,000	-
Total	1,281,000	1,115,000	101,000
Discontinued Operations:			
Maintenance & Repairs	50,000	67,000	7,000
Depreciation of Property, Plant & Equipment	200,000	177,000	20,000
Taxes Other Than Income Taxes:			
Real Estate & Personal Property	174,000	161,000	9,000
Payroll	429,000	420,000	42,000
Sundry	6,000	20,000	5,000
Total	609,000	601,000	56,000

PART II

Part II will not be filed at this time pursuant to General Instructions H which permits omission if a proxy statement is filed not later than 120 days after the close of the fiscal year.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Golconda Corporation has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLCONDA CORPORATION

By: Frederick F. Schauder

Frederick F. Schauder,
Vice President-Finance and
Treasurer

DATE: March 27, 1975

(A) Reference is made to Note A of Notes to Consolidated Statement of Earnings.

(B) Yield of the 7% convertible debenture exceeded 66-2/3% of prime rate at date of issue, and therefore is not a common stock equivalent.

(C) Anti-dilutive in 1970, 1971 and 1972. Dilutive, and therefore included in shares for primary earnings computation, in 1973 and 1974.

(D) Options and warrants are anti-dilutive, and therefore excluded from primary and fully diluted earnings per share calculations based on calculations where shares are assumed to be repurchased at the higher of average price or year-end closing price of Golconda Corporation or its predecessor. Interest savings resulting from assumed retirement of debt from proceeds of options and warrants would be determined under the 20% rule if warrants were not anti-dilutive in each year.

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the Year Ended December 31, 1975 **Commission File No. 1-848**

GOLCONDA CORPORATION

(Exact name of registrant as specified in its charter)

Idaho **(State or other jurisdiction of incorporation or organization)**	**82-0122540** **(I.R.S. Employer Identification No.)**
39 South LaSalle Street, Chicago, Illinois **(Address of principal executive offices)**	**60603** **(Zip Code)**

Registrant's telephone number, including area code (312) 372-3090

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
$1.00 Cumulative Convertible Preferred Stock	Pacific Stock Exchange
Common Stock	Pacific Stock Exchange Spokane Stock Exchange Intermountain Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of Class

7% Convertible Subordinated Debentures Due January 1, 1990

Indicate by check mark whether the registrant (1) has filed all annual, quarterly and other reports required to be filed with the Commission, (2) has been subject to the filing requirements for at least the past ninety (90) days. Yes ☒. No ☐.

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ITEM 1 BUSINESS

Golconda Corporation operates in one principal area of interest - controls and related equipment. In 1975 the Company decided to terminate its participation and dispose of its investments in mining companies.

In February, 1975 the Company sold its division which was engaged in the design, manufacture and marketing of modular and custom kitchen, cafeteria and restaurant equipment.

In April, 1975 the Company sold the contracts business of a division which was engaged in the engineering and manufacturing of precision components and assemblies for use in aerospace vehicles, military and commercial aircraft and computers.

In May, 1975 the Company discontinued operations of its division which was engaged in recycling brass scrap from the other manufacturing divisions into machining rod and forgings.

Through its RegO Division, the Company designs, develops, manufactures and markets: (a) pressure regulators, valves and other control equipment for LP-gas and anhydrous ammonia; (b) pressure regulators, cylinder valves, manifolds and other control equipment for atmospheric and other compressed, liquefied and dissolved gases; (c) gas welding and cutting equipment; (d) medical oxygen and chemical equipment; (e) pneumatic control devices for the fluid power industry; and (f) cylinder valves and regulators for self-contained breathing apparatus. A common characteristic of RegO Division products is the control or regulation of the flow of gases either into or out of containers in which the gases are stored, or into piping systems. RegO products are designed for a wide variety of gases and temperature and pressure extremes. Products for use with cryogenic gases are required to withstand temperatures as low as minus 320° F. Depending on the application, RegO equipment is designed to regulate pressure from a few ounces to 10,000 pounds per square inch.

RegO Division products are sold nation-wide and, to a limited extent, abroad. These sales are made by a combination of seventeen fulltime RegO salesmen and six hundred and fifty-one distributors located primarily in the United States and some abroad. RegO also distributes through LP-gas marketers and anhydrous ammonia dealers throughout the country. In 1975, the largest customer of this division accounted for 7% of its sales and its five largest customers accounted for about 21% of its sales.

Through its Anderson Copper and Brass Division (Anderson), the Company manufactures and markets a line of fittings for use with copper tubing. Included in the product line are flared fittings, compression fittings, inverted flare, double compression and brass pipe fittings, as well as garden hose and air hose fittings. A catalog of standard items is issued, but orders are solicited for special items of a related nature. Designed for use with a variety of gases and liquids, the primary application is in the plumbing industry.

The Anderson Division manufacturing operations, located in Alsip, Illinois, consist primarily of screw machine and chucking machine operations, the raw material being exclusively brass rod and brass forgings. The division purchases other components, such as valves and tubing tools, and offers them for sale to its customers also.

Brass fittings manufactured by the Anderson Division are sold on a nation-wide basis by thirty manufacturer's agents who service approximately eleven hundred accounts. A limited amount of sales are abroad. In 1975, the largest customer of the division accounted for 6% of its sales and its five largest customers accounted for about 17% of its sales.

LS 000064

Competition

Golconda Corporation is subject to intense competition from a large number of firms. Competition varies from older and larger firms having greater financial resources than Golconda to small local and regional competitors which have advantages deriving from proximity to local markets. RegO Division's principal market is the LP-gas industry, and RegO is a significant supplier of LP-gas equipment.

Backlog

As of December 31, 1975 the Company's backlog of orders totalled $3,323,000, all of which are expected to be filled in 1976. At December 31, 1974 backlog amounted to $9,570,000. Backlog amounts are not necessarily indicative of sales for subsequent periods because of the short lead time between receipt of order and delivery.

The business is directly affected by general business conditions, especially those involving the petroleum and construction industries.

Materials

Raw materials and components used by the Company in its manufacturing operations are available from more than one supplier, although it may obtain certain parts and materials from a single source and supplier.

Research and Development

The dollar amount of expenditures during the last two fiscal years relating to the development of new products or the improvement of existing products was not material.

Number of Employees

The Company has approximately 550 fulltime employees, of which 195 are in executive, managerial, professional, office and clerical positions and the remaining balance of 355 consists of factory, warehouse and other production related personnel.

Environmental Matters

The Company is subject to environmental regulation by federal, state and local authorities. There are no known material expenditures required of the Company for pollution control equipment under applicable environmental laws.

Line of Business Information

Golconda's continuing manufacturing operations are, and have been for the last five years, engaged in only one line of business -- the production and sale of controls and related equipment.

ITEM 2

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

The following consolidated statements of operations, retained earnings and additional contributed capital for the years ended December 31, 1974 and 1975 have been examined by independent accountants whose report is included elsewhere herein. In the opinion of management, the consolidated statements of operations, retained earnings and additional contributed capital for the three years ended November 30, 1973 include all adjustments (consisting of normal recurring accruals) necessary to a fair presentation of such statements.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands except per share data)

	Fiscal Year Ended				
	November 30,			December 31,	
	1971	1972	1973	1974(A)	1975
	(Not covered by auditors' report)				
Net sales from manufacturing operations (B)	$21,890	$26,838	$33,011	$31,059	$21,481
Cost of goods sold	15,464	19,376	23,540	24,078	19,308
Gross profit from manufacturing operations	6,426	7,462	9,471	6,981	2,173
Selling, general and administrative expenses	4,326	4,349	5,643	6,136	4,808
Interest expense	1,037	930	795	1,162	715
Interest income	(121)	(74)	(50)	(834)	(492)
Other(income) expense-net (C)	(444)	(478)	(373)	(99)	1,664
	4,798	4,727	6,015	6,365	6,695
Earnings (loss) from continuing operations before income taxes					
Manufacturing	1,628	2,735	3,456	616	(4,522)
Investments (2)	458	483	1,668	10,266	(434)
	2,086	3,218	5,124	10,882	(4,956)
Income tax provision (benefit) (D)					
Current	644	1,077	1,466	1,643	2,694
Deferred	152	316	505	1,763	(3,070)
	796	1,393	1,971	3,406	(376)
Earnings(loss) from continuing operations	1,290	1,825	3,153	7,476	(4,580)
Discontinued operations(B)					
Earnings(loss) from discontinued operations	(347)	(119)	48	275	-
Losses on sales of Divisions					
Applicable to net assets sold	-	-	-	(950)	(735)
Applicable to goodwill written off	-	-	-	(1,240)	-
	(347)	(119)	48	(1,915)	(735)
Earnings (loss) before extraordinary items	943	1,706	3,201	5,561	(5,315)
Extraordinary items (net of Federal income taxes) (E)	(52)	-	-	-	-
Net Income (Loss)	$ 891	$ 1,706	$ 3,201	$ 5,561	$(5,315)
Weighted average shares outstanding (F)					
Common	2,785	2,785	2,785	2,785	2,785
Common and Common Equivalent			3,365	3,360	

(continued)

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	Fiscal Year Ended				
	November 30,			December 31	
	1971	1972	1973	1974(A)	1975
	(Not covered by auditors' report)				
Primary Earnings(Loss) Per Share					
From Continuing Operations					
Manufacturing	$ .33	$ .53	$ .59	$ .14	$(1.00)
Investment	.13	.12	.35	2.09	(.65)
	.46	.65	.94	2.23	(1.65)
Discontinued Operations	(.12)	(.04)	.01	(.57)	(.26)
	.34	.61	.95	1.66	(1.91)
Less: Preferred dividend requirement	.15	.14	-	-	.14
Earnings (loss) before extraordinary items	.19	.47	.95	1.66	$(2.05)
Extraordinary items	(.02)	-	-	-	-
Net Income (Loss)	$ .17	$ .47	$ .95	$1.66	$(2.05)
Fully Diluted Earnings (Loss)	$ .17	$ .47	$ .89	$1.52	$(2.05)
Dividend per common share	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of this statement.

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GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	FISCAL YEAR ENDED				
	November 30,			December 31,	
	1971	1972	1973	1974 (A)	1975
	(Not covered by auditors' report)				
Balance - beginning of period	$14,053,000	$14,531,000	$15,838,000	$18,654,000	$24,111,000
Net earnings (loss) for the period	891,000	1,706,000	3,201,000	5,561,000	(5,315,000)
Net earnings for December, 1973 (Note A)	-	-	-	279,000	-
	14,944,000	16,237,000	19,039,000	24,494,000	18,796,000
Cash dividends paid - Preferred	(413,000)	(399,000)	(385,000)	(383,000)	(383,000)
Balance - end of period	$14,531,000	$15,838,000	$18,654,000	$24,111,000	$18,413,000

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ADDITIONAL CONTRIBUTED CAPITAL

	FISCAL YEAR ENDED				
	November 30,			December 31,	
	1971	1972	1973	1974	1975
	(Not covered by auditors' report)				
Balance - beginning of period	$6,532,000	$5,880,000	$5,748,000	$5,674,000	$5,674,000
Purchase and retirement of Preferred Stock (47,478; 10,964 and 6,400 shares, respectively)	(652,000)	(132,000)	(74,000)	-	-
Balance - end of per od	$5,880,000	$5,748,000	$5,674,000	$5,674,000	$5,674,000

The accompanying not s are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS OF OPERATIONS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

Information with respect to fiscal years 1971, 1972 and 1973 and quarterly information with respect to calendar 1975 is not covered by the independent accountants' report included elsewhere herein.

In the accompanying financial statements numeric note references are to Notes to Consolidated Financial Statements included elsewhere herein.

(A) CHANGE OF FISCAL YEAR

During 1974, Golconda changed its fiscal year-end to December 31 to conform to the year-end of its parent company--Cerro Corporation. December 1973 operating results, net of taxes of $47,000, have been credited directly to retained earnings and are summarized below:

	000's
Net Sales	
Continuing Operations	$ 1,981
Discontinued Operations	1,310
	$ 3,291
Net Earnings (loss)	
Continuing Operations	
Manufacturing	$(60)
Investments	382
	322
Discontinued Operations	(43)
	$ 279

(B) DISCONTINUED OPERATIONS

(1) In February, 1975 Golconda entered into an agreement to sell the Bastian-Blessing Division (B-B). A $2,190,000 provision for loss on the sale, comprised of the write-off of $1,240,000 of goodwill applicable to B-B and a $950,000 loss on disposal of net assets, net of a $950,000 tax benefit, was reflected in the financial statements for the year ended December 31, 1974. The final agreed cash price amounted to $3,850,000 and resulted in an actual loss of $2,406,000. The additional loss of $216,000, which is net of a tax benefit of $146,000, is recorded in 1975. The primary reasons for the difference between estimated and actual losses were adjustments to net book value as of February 1975 and additional expenses, principally finders fees, in excess of original estimates. Of the settlement price, $1,150,000 remains unpaid and the related note receivable is secured by a first mortgage on the property sold.

(2) In April, 1975 Golconda entered into an agreement to sell the Pioneer Astro Industries Division (PAI) contracts business. A $343,000 loss, net of a $343,000 tax benefit, was estimated and reported in the second quarter of 1975. The actual loss of $519,000 is based upon a cash price of $1,184,000 and is net of a $487,000 tax benefit. The difference between the loss estimated in the second quarter and actual loss is due to a provision for estimated liabilities resulting principally from the buyer's default on a building lease in the fourth quarter. The Company has instituted legal proceedings in an attempt to recover losses resulting from the default, and in the opinion of management, although the Company has a proper legal position, collection of a judgment is doubtful and the total amount of the lease obligations through June, 1977 has been recorded as a loss in 1975.

(3) The consolidated statement of operations has been restated to present the operating results of the PAI contracts business as a discontinued operation (restatement for B-B was made in 1974). The following table shows the impact of the restatement on previously reported net sales (in thousands):

	Fiscal Year Ended November 30, 1971	1972	1973	December 31, 1974
Net sales as previously reported in 1974	$24,837	$29,554	$36,196	$34,800
Less: Discontinued PAI contracts business	2,947	2,716	3,185	3,741
Net sales per consolidated statement of operations	$21,890	$26,838	$33,011	$31,059

Following is an analysis of the earnings (losses) of discontinued businesses and related losses on disposal (in thousands):

Discontinued Operations	Fiscal Year Ended November 30, 1971	1972	1973	December 31, 1974	1975
Earnings (loss) from discontinued operations					
B-B	$(405)	$(13)	$166	$ 507	
Income taxes(benefit)	(166)	(6)	69	259	
	(239)	(7)	97	248	
PAI contracts business	(216)	(223)	(99)	54	
Income taxes(benefit)	(108)	(111)	(50)	27	
	(108)	(112)	(49)	27	
	(347)	(119)	48	275	
(Losses) on sales of divisions					
Applicable to net assets of B-B(less applicable income tax benefits of $950 in 1974 and $146 in 1975)				(950)	$(216)
Applicable to net assets of PAI contracts business (less tax benefit of $487)					(519)
Applicable to goodwill written off (no tax benefit)				(1,240)	
	$(347)	$(119)	$ 48	$(1,915)	$(735)

In determining earnings (loss) from the discontinued B-B operations, B-B was charged with a portion of corporate administrative expenses which are ratable to B-B and which are not expected to recur and with interest expense which would have been eliminated and/or earned through the use of the proceeds of the sale.

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In determining earnings (loss) from the discontinued PAI contracts business, PAI contracts business was charged with interest expense which would have been earned through the use of the proceeds of the sale. Corporate administrative expenses are not allocated because such expenses are not expected to be eliminated.

(C) OTHER TERMINATIONS OF OPERATIONS

(1) On May 30, 1975 Golconda ceased operations at its Golconda Metals Division (GMD) plant in Alsip, Illinois. A $1,178,000 provision for losses incurred and expected to be incurred in connection with the shutdown of this facility is reflected in the accounts as continuing operations in accordance with the provisions of Accounting Principles Board Opinion No. 30. The $1,178,000 is included in Other Income and Expense in the Consolidated Statement of Operations. Actual losses incurred as of December 31, 1975 in disposing of the assets aggregate $584,000. The remaining property, plant and equipment to be disposed of at December 31, 1975 total $655,000 (net of a $594,000 reserve for loss), and are shown as Assets of Businesses Held for Sale in the Consolidated Balance Sheet.

The original estimate of loss reported in the second quarter was $1,028,000. Actual results in disposing of the assets to date have required adjustments to the original estimates.

(2) During the third and fourth quarters of 1975, management decided to terminate the Company's participation in the various foreign joint ventures for manufacturing and distributing liquified petroleum gas products. The $729,000 loss resulting from the recognition of liabilities related to the terminations and from the write-downs of the Company's advances to and investments in these ventures is reflected in the accounts as continuing operations in accordance with the provisions of Accounting Principles Board Opinion No. 30. The $729,000 is included in Other Income and Expense on the Consolidated Statement of Operations.

(D) INCOME TAXES

Golconda's effective tax rates for earnings (losses) from continuing operations are different from the Federal statutory rates. The following table analyzes these provision(benefit) differences:

	1971	1972	1973	1974	1975
Statutory rates-Federal	48.0%	48.0%	48.0%	48.0%	(48.0)%
Impact of capital gains rates on investment income and losses	(4.8)	(3.3)	(6.2)	(17.2)	2.0
Impact of ordinary rates on investment income deferred until 1975(a)					30.7
Investment tax credits and profits of Domestic International Sales Corporation	(1.0)	(1.8)	(4.9)	(1.8)	.5
State taxes and other	(4.0)	.4	1.6	2.3	7.2
	38.2%	43.3%	38.5%	31.3%	(7.6)%

(a) Because of the substantial tax losses incurred in 1975, excluding deferred investment gains, additional taxes of $1,522,000 are provided in 1975 for investment earnings because the previously deferred investment earnings are actually taxed at the 48% statutory rate rather than the 30% capital gains rate provided in prior years.

Tax law allows or requires the determination of taxable income in a manner different from generally accepted accounting principles. The table below reconciles earnings of continuing operations per the accompanying financial statements to currently payable taxes.

	(In Thousands)				
	1971	1972	1973	1974	1975
Income(Loss) from continuing operations before income taxes	$2,086	$3,218	$5,124	$10,882	$(4,956)
Investment gains taxable in different periods due to use of installment sales tax treatment (1974 and 1975) and specific identification costing	(306)	(610)	(529)	(6,709)	8,453
Excess of tax over book depreciation	(120)	(226)	(310)	(308)	(200)
Commissions on Domestic International Sales Corporation		(105)	(195)	195	
Writedown of assets to estimated realizable value					
Gauge				250	374
GMD				234	360
Investment in and advances to foreign joint ventures					200
Mining investments				175	363
Inventory reserves				900	750
Other	13	203	(284)	(355)	298
Current taxable income	$1,673	$2,480	$3,806	$ 5,264	$ 5,642
Current income tax provision	$ 644	$1,077	$1,466	$ 1,643	$ 2,694

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The provision (benefit) for income taxes consists of:

	(In Thousands)				
	1971	1972	1973	1974	1975
Current					
Federal	$337	$ 892	$1,316	$1,818	$ 2,061
State	33	68	169	111	-
Deferred	104	316	505	813	(3,070)
	$474	$1,276	$1,990	$2,742	$(1,009)
Allocated to:					
Continuing operations	$796	$1,393	$1,971	$3,406	$(376)
Discontinued operations	(274)	(117)	19	(664)	(633)
Extraordinary items	(48)	-	-	-	-
	$474	$1,276	$1,990	$2,742	$(1,009)

See also Note 1.

(E) EXTRAORDINARY ITEM

The 1971 extraordinary item, net of applicable federal income taxes of $48,000, relates to a provision for settlement of a lawsuit related to products of the Paris, Illinois plant which had been shut down in 1970. In accordance with the provisions of Accounting Principles Board Opinion No. 30, effective October 1973, the above items would have been charged to continuing operations. However, Opinion No. 30 prohibits restating prior years financial statements for conformity. Had the 1971 statements of consolidated operations been restated, earnings from continuing operations would have been reduced by this amount.

(F) EARNINGS (LOSS) PER SHARE

Primary earnings (loss) per share for the fiscal years 1971 and 1972 and calendar 1975 are based on the weighted average number of common shares outstanding during each period. Primary earnings per share for fiscal 1973 and calendar 1974 were computed by dividing net earnings by the average number of common and common equivalent (preferred stock) shares outstanding. For the years 1973 and 1974, such preferred stock had a dilutive effect on earnings per share, whereas such stock had an anti-dilutive effect for the years prior to 1973 and for 1975. The preferred dividends paid and deducted in arriving at earnings available for common shares in 1971, 1972 and 1975 were $413,000, $399,000 and $383,000, respectively.

Fully diluted earnings per share for fiscal years 1971 through 1974 were computed assuming that the average number of common and/or common equivalent shares outstanding were further increased by conversion as of the beginning of each year of the convertible debentures outstanding (464,000 shares in 1971; 439,000 shares in 1972; 428,000 shares in 1973 and 416,000 shares in 1974). The convertible debentures are not reflected in 1975 because they are anti-dilutive.

Options and warrants have not been reflected in the computations because they are anti-dilutive.

(G) RELATED PARTY TRANSACTIONS

Transactions between the Company and Cerro Corporation and its subsidiaries for the full calendar years of 1974 and 1975 include the following:

	December 31, 1974	December 31, 1975
Purchases	$3,253,000	$3,047,000
Sales	-	$19,000
Interest Income(Note 2)	$834,000	$64,000

The Company does not have any other material transactions with Cerro Corporation and its subsidiaries other than certain expenses paid by Cerro and charged to the Company which are directly attributable to the Company. Cerro Corporation did not charge the Company with a management fee in 1974 or 1975.

MANAGEMENT ANALYSIS OF VARIATIONS IN CONTINUING OPERATIONS

Manufacturing

Sales increased 22% in 1972, of which the acquisition of Anderson Copper and Brass (Anderson) Division in mid-year accounts for 5% and the balance is from sharply higher sales at RegO Division. Earnings increased due to higher sales, cost control programs and reduced interest expense.

Sales rose by 23% in 1973, 8% of which is the full year impact of Anderson, and continued growth of the RegO Division. Earnings increased due to higher sales and improved gross profit margins from reduced manufacturing costs. Operating expenses increased substantially due to higher selling expenses and commissions on increased sales, the full year impact of Anderson, costs for new computer applications and services from an outside service bureau and an incentive bonus plan.

Net sales decreased 6% in 1974; however, the volume decline was much steeper as the Company was able to partially offset lost volume by increased prices. The lower volume is principally attributable to the depressed conditions in the liquid petroleum gas industry. Earnings were severely impacted by the reduced volume, start-up problems at the new Golconda Metals Division (GMD) and by reserves provided to protect against losses on receivables, inventories and the sale of certain equipment. Start-up of GMD resulted in increases in operating expenses such as maintenance and repairs, depreciation and real estate taxes on the new plant. Increased interest expense reflects the cost of financing working capital requirements at RegO and GMD. Higher amounts of other income are due to interest earned on a note received from Cerro Corporation on the sale of Hecla stock.

Net sales decreased 31% in 1975 due principally to lost volume. This lower volume is attributed to depressed conditions in the liquid petroleum gas industry and an indeterminable loss in market share to competitors. The dollar decrease in sales would have been greater except for a small increase in selling prices.

While volume decreased due to lower sales, increased costs of materials and labor, and increased inventory and obsolescence adjustments kept the decrease in cost of goods sold to 20%.

Selling, general and administrative expense decreased 22% due principally to decreased personnel ($631,000), decreased sales commissions due to lower volume ($132,000), and reclassifications of certain freight charges.

Interest expense decreased in 1975 primarily as a result of the repayment of the bank note payable in January 1975.

Earnings from continuing operations were severely affected by reduced sales volume, provisions for slow-moving and obsolete inventory, and special provisions and losses on certain transactions which are included in Other Income and Expense in the financial statements (See Note C).

Investments

Earnings reflect the sales of Hecla common stock at market prices in the applicable years net of expenses required to maintain the Golconda Mining Corporation facilities. In 1975 there were no gains from stock sales. The expense represents a write down of mining stock investments and expenses for maintaining the Golconda Mining Corporation facilities (See Note 2). Also see Note D for discussion concerning an additional income tax provision of $1,522,000.

FOURTH QUARTER RESULTS

Sales and earnings for the fourth of 1974 and 1975 were as follows:

	Three Months Ended December 31, 1974		Three Months Ended December 31, 1975	
	Amount	Per Share	Amount	Per Share
	(In thousands except for per share data)			
Sales				
Continuing operations	$ 4,968		$ 5,421	
Discontinued operations	7,981		-	
	$12,949		$ 5,421	
Net (Loss)				
From continuing operations				
Manufacturing	$ (228)	$(.07)	$(1,505)	$ (.57)
Investment	(334)	(.10)	(1,813)	(.65)
	(562)	(.17)	(3,318)	(1.22)
From discontinued operations	(1,930)	(.58)	(188)	(.07)
Net	$(2,492)	$(.75)	$ (3,506)	$(1.29)

Sales of continuing manufacturing businesses increased slightly in the fourth quarter over 1974. The fourth quarter of 1974 and 1975 were affected by the depressed conditions in the liquid petroleum gas industry.

The loss from continuing operations is substantially higher in the fourth quarter ended December 31, 1975 due to inventory provisions, tax provision adjustments, and special provisions and losses incurred, including:

1. An additional amount of $150,000 provided for the estimated loss on disposal of the Golconda Metals Division assets (see Note C).
2. A $363,000 writedown of mining stock investments (see Note 2).
3. A $596,000 loss from the expenses and writedowns related to the termination of participation in foreign joint ventures (see Note C).
4. A $78,000 loss on the sale of the oil-less compressor line.
5. An additional amount of $140,000 provided for estimated loss on the disposal of the gauge line inventory and equipment.
6. An additional income tax provision of $1,522,000 (see Note D).

The loss from discontinued operations in 1974 is due primarily to a provision for loss on the sale of Bastian-Blessing. The loss in the fourth quarter of 1975 is primarily the effect after tax of providing an additional $328,000 for Pioneer Astro Industries loss as a result of the buyer's default (see Note B).

ITEM 3 PROPERTY

The principal plants operated by Golconda Corporation are listed below with their location, square footage, and the principal products manufactured at each location:

Division	Location	Floor Area (Square Feet)	Acreage (Where Appl.)	Principal Products	Owned or Leased
RegO	Chicago, Illinois	347,000	19.2	Valves and Controls	Owned (1)
RDC	Upper Saddle River, N.J. and Chicago Illinois	9,000	-	Distribution Center	Leased (2)
Anderson	Alsip, Illinois	29,000	1.7	Brass Fittings	Owned

(1) See Note 4 of Notes to Financial Statements concerning a mortgage on this plant.

(2) Comprised of two structures, one owned and located in Chicago, Illinois adjacent to the RegO Division manufacturing facilities, and the other leased and located in Upper Saddle River, New Jersey for an annual rental of $33,000.

RegO Division operations are conducted in seven adjacent buildings. Manufacturing operations are conducted in a single story brick structure. Two of the remaining six building, which are used for storage and warehousing of raw material, semi-finished and finished parts, are of brick construction, and four are metal frame. In total, 243,000 square feet are utilized for manufacturing; 34,000 square feet for divisional and corporate office space, and 70,000 square feet are used for storage and warehousing. Manufacturing machinery and equipment consists of light to medium metal cutting and processing equipment owned by the Company.

Anderson Copper and Brass Division's manufacturing facilities consist of a one-story expandable concrete and steel building. Space is divided into 27,000 square feet for manufacturing and related facilities and 2,000 square feet for office functions.

Golconda owns all of the significant machinery and equipment used in its operations and considers that its plants and equipment, whether owned or leased, are well maintained, adequately insured, and with normal additions and improvements, adequate for its present and foreseeable requirements.

Golconda Corporation owns or controls through stock interests approximately 2,500 acres of undeveloped mineral properties in the silver bearing Coeur d'Alene District of Idaho. The Company also owns an assortment of buildings, sheds, and other pieces of apparatus connected with discontinued operations of the Golconda mine closed in 1957 due to exhaustion of known ore reserves and low metal prices. These structures do not constitute substantial capital properties.

ITEM 4 PARENTS AND SUBSIDIARIES

Parent

Cerro Corporation, a New York corporation, which subsequently merged into Cerro-Marmon Corporation, a Delaware corporation, on February 24, 1976, located at 39 South LaSalle Street, Chicago, Illinois 60603, owns 85% of the outstanding voting stock of the registrant and may be deemed to be a parent of Golconda Corporation.

Subsidiaries

Golconda Corporation has various subsidiaries under various names, all of which in the aggregate as a single subsidiary would not constitute a significant subsidiary.

ITEM 5 PENDING LEGAL PROCEEDINGS

See Note 8 of Notes to Consolidated Financial Statements.

There are no other pending material legal proceedings, other than ordinary routine litigation incidental to the business to which the Company or any of its subsidiaries has become a party or of which any of their property has become the subject.

ITEM 6 INCREASES AND DECREASES IN OUTSTANDING EQUITY SECURITIES

(A)	Cumulative Convertible Preferred Stock (Par value $1.00)	
	Balance December 31, 1974 and 1975	383,157
(B)	Common Stock (No par value)	
	Balance December 31, 1974 and 1975	2,785,595
(C)	7% Convertible Subordinated Debentures due January 1, 1990	
	Balance December 31, 1974	$4,427,000
	Purchased by Company throughout year	263,000
	Balance December 31, 1975	$4,164,000
(D)	Warrants to Purchase Common Stock @ $14.51 per share, exercisable from January 15, 1969, expiring January 15, 1979	
	Balance December 31, 1974 and 1975	292,467

ITEM 7 APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS

$1.00 Cumulative Convertible Preferred Stock, $1.00 par value	660
Common Stock, no par value	1,420
7% Convertible Subordinated Debentures due January 1, 1990	705
Warrants expiring January 15, 1979 (Each to purchase one share of common stock at $14.51 per share)	4

ITEM 8 EXECUTIVE OFFICERS OF THE REGISTRANT

All officers are elected by the Board of Directors and serve at the pleasure of the Board. The listing immediately following this paragraph shows the position with Golconda Corporation of each executive officer; his age; and an account of his business experience during the past five years, including the time he has served in his present position. There is no family relationship between any of the executive officers of Golconda Corporation.

Gordon Paul Smith (59)	Chairman of the Board of Directors since June 1974. President and Chief Executive Officer (February 1972 to June 1974). Chairman of the Executive Committee in 1971 and a Director since September 1970.
John R. Morrill (59)	President and Chief Executive Officer since May 1975 and a Director since June 1975. Prior to joining Golconda, Mr. Morrill was Senior Vice President with Automation Industries (1971-1975) and Chairman and President of UMC Industries (1968-1971).
Robert C. Gluth (51)	Vice President and Director since December 1975. Mr. Gluth has been a Vice President of The Marmon Group, Inc. (Michigan) since February 1970, Vice President of GL Corporation since 1972 and Vice President of Cerro Corporation since May 1975.
Thomas L. Seifert (35)	Secretary and General Counsel since December 1975. Mr. Seifert has been Associate General Counsel and Assistant Secretary for Cerro Corporation since October 1975. Prior to joining Cerro, Mr. Seifert was Associate General Counsel for Canteen Corporation (April 1973 to October 1975) and an attorney with Standard Oil Company (December 1970 to April 1973).
David R. Nomura (32)	Treasurer since October 1975. Prior to joining Golconda, Mr. Nomura was an Audit Manager with the firm of Coopers & Lybrand in Chicago with which he was employed since June 1965.
Charles B. Cranford (38)	Vice President-Controller since January 1974. Controller of both the Corporation and RegO Division since January 1973. Prior to joining Golconda, he served as division controller and in other accounting assignments for the AMF Corporation.

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Wray Featherstone (63)	Vice President and Director, which positions have been held for more than five years. President of Golconda Mining Corporation since 1972.
Donald V. Ytterberg (49)	Vice President since December 1972. Mr. Ytterberg was a Vice President of the Anderson Copper and Brass Company when it was acquired by Golconda in July 1972 and was named President of Anderson in January 1974.

ITEM 9 INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article VI, Section 1, of the ByLaws of the Company entitled "Indemnification of Directors and Officers" reads as follows:

"Any present or future director or officer, or the executor, administrator or other legal representative of any such director or officer, shall be indemnified by the corporation against reasonable costs, expenses (exclusive of any amount paid to the corporation in settlement), judgments, fines, amounts paid in settlement of any action, suit or proceedings, and counsel fees paid or incurred in connection with any action, suit or proceeding to which legal representative may hereafter be made a party by reason of his being or having been such director or officer; provided, (1) said action, suit or proceeding shall be prosecuted against such director or officer or against his executor, administrator or other legal representative to final determination, and it shall not be finally adjudged in said action, suit or proceedings that he had been derelict in the performance of his duties as such director or officer, or (2) said action, suit or proceeding shall not be settled or otherwise terminated as against such director or officer or his executor, administrator or other legal representative without a final determination on the merits, and it shall be determined that such director or officer had not in any substantial way been derelict in the performance of his duties as charged in such action, suit or proceeding, such determination to be made by a majority of the members of the board of directors who were not parties to such action, suit or proceeding, though less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the board of directors. For purposes of the preceding sentence: (a) "action, suit or proceeding" shall include every action, suit or proceeding, civil, criminal or other; (b) the right of indemnification conferred thereby shall extend to any threatened action, suit or proceeding and the failure to institute it shall be deemed its final determination; (c) the termination of an action, suit or proceeding by a plea of nolo contendere or other like plea shall not constitute a final determination on the merits; (d) a judgment of conviction in any criminal action, suit or proceeding shall not constitute a determination that the person so convicted has been derelict in the performance of his duties if it is determined by a majority of the members of the board of directors who were not a party thereto, though less than a quorum, or by one or more disinterested persons in the manner provided in the preceding sentence that the person so convicted acted in good faith, for a purpose which he reasonably believed to be in the best interests of the company and that he had no reasonable cause to believe that his conduct was unlawful; and (e) advances may be made by the company against costs, expenses and fees as, and upon the terms, determined by the board of directors. The corporation shall indemnify an employee who is not an officer to the same extent that it does an officer. The foregoing right of indemnification shall not be exclusive of any other rights to which any director or officer may be entitled as a matter of law or which may be lawfully granted to him; and the indemnification hereby granted by the company shall be in addition to and not in restriction or limitation of any other privilege or power which the corporation may lawfully exercise with respect to the indemnification or reimbursement of directors, officers or employees."

ITEM 10

GOLCONDA CORPORATION AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

December 31, 1974 and 1975

Schedules not included above are omitted as either not applicable or not required or the required information is included in Notes to Consolidated Financial Statements.

The individual financial statements of the Registrant are omitted because consolidated financial statements are filed and because the Registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements are totally-held subsidiaries.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and
Board of Directors

Golconda Corporation

We have examined the consolidated balance sheets of Golconda Corporation (a subsidiary of Cerro Corporation) and its subsidiaries as of December 31, 1975 and 1974 and the related consolidated statements of operations, of retained earnings, of additional contributed capital, appearing elsewhere herein, and of changes in financial position and schedules for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In 1973, the accounting profession changed the criteria for determining the types of items to be reported as extraordinary items, and accordingly, the Company has reflected these changes in its 1975 and 1974 Consolidated Statements of Operations, as described in Note E to the Consolidated Statements of Operations.

In our opinion, the consolidated financial statements examined by us present fairly the financial position of Golconda Corporation and its subsidiaries at December 31, 1975 and 1974, the results of their operations and the changes in their financial position for the fiscal years then ended, in conformity with generally accepted accounting principles consistently applied during the period and on a basis consistent with that of the preceding year except for the change, with which we concur, referred to in the preceding paragraph.

Price Waterhouse & Co.

Price Waterhouse & Co.

Chicago, Illinois
February 2, 1976

GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 1974 and 1975

ASSETS

	1974	1975
CURRENT ASSETS		
Cash	$ 1,827,000	$ 26,000
Certificates of Deposit	-	3,000,000
Commercial Paper	-	4,550,000
Notes and Accounts Receivable less allowance for doubtful receivables(1974- $268,000; 1975 - $291,000) (Note B) (Schedule XII)	5,556,000	5,178,000
Note Receivable from Cerro Corporation, including interest (Note 2)	9,242,000	-
Inventories (Note 1) (Schedule XII)	17,518,000	10,775,000
Income Taxes (Note 1)		
Refund Receivable	-	462,000
Prepaid	-	1,390,000
Prepaid Expenses and Sundry Deposits	82,000	169,000
Investments Held for Sale-at estimated realizable value (Note 2)	-	250,000
Assets of Businesses Held for Sale-at estimated realizable value (Notes 7 and C)	4,660,000	715,000
Total Current Assets	38,885,000	26,515,000
INVESTMENTS - at cost less reserve of $175,000 for value decline (Note 2) (Schedule XII)	613,000	-
PROPERTY, PLANT AND EQUIPMENT - at cost (Notes 1 and 4) (Schedules V and VI)		
Buildings and Improvements	3,396,000	2,947,000
Machinery, Equipment and Tools	12,356,000	7,089,000
Office Furniture and Fixtures	409,000	256,000
	16,161,000	10,292,000
Less-Accumulated Depreciation	(8,084,000)	(5,680,000)
	8,077,000	4,612,000
Land	839,000	598,000
	8,916,000	5,210,000
OTHER ASSETS		
Excess of Cost over underlying equity of net assets acquired (Notes 1 and B) (Schedule VII)	3,135,000	3,135,000
Deferred Debt Expense - less amortization on the bonds outstanding method (1974 - $160,000; 1975 - $74,000)	410,000	336,000
Sundry	297,000	87,000
	3,842,000	3,558,000
TOTAL ASSETS	$52,256,000	$35,283,000

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 1974 and 1975

LIABILITIES

	1974	1975
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt(Note 4)	$ 80,000	$ 89,000
Notes Payable - Banks(Note 3)	8,000,000	-
Accounts Payable	1,989,000	1,529,000
Accounts Payable - Parent	363,000	741,000
Income Taxes (Note 1)		
Currently Payable	1,420,000	-
Deferred	1,136,000	-
Accrued Liabilities		
Salaries, Wages, etc.	193,000	160,000
Property and Payroll Taxes	315,000	245,000
Interest	79,000	1,000
Employee Benefits	181,000	122,000
Other	56,000	401,000
Total Current Liabilities	13,812,000	3,288,000
LONG-TERM DEBT (Note 4)	7,058,000	6,706,000
DEFERRED INCOME TAXES (Note 1)	964,000	565,000
COMMITMENTS AND CONTINGENT LIABILITIES(Notes 5 and 8)	-	-
STOCKHOLDERS' EQUITY (Notes 4 and 6)		
Capital Stock		
Preferred(Redemption and liquidation value- 1974 and 1975 - $14,368,000)	383,000	383,000
Common	774,000	774,000
Additional Contributed Capital	5,674,000	5,674,000
Retained Earnings	24,111,000	18,413,000
	30,942,000	25,244,000
Less Treasury Stock - at cost	520,000	520,000
	30,422,000	24,724,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$52,256,000	$35,283,000

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION

For the Years Ended December 31, 1974 and 1975

	1974	1975
WORKING CAPITAL PROVIDED BY (USED IN) OPERATIONS		
Earnings(Loss) from continuing operations	$ 7,476,000	$(4,580,000)
Loss from discontinued operations	(1,915,000)	(735,000)
Add(deduct) items not requiring outlay of working capital:		
Depreciation	1,192,000	936,000
Amortization of deferred expenses	153,000	74,000
Deferred income taxes	(189,000)	(399,000)
Cost of investments sold	2,382,000	-
Reduction in carrying value of investments	175,000	363,000
Writeoff of excess cost over underlying equity of net assets acquired	1,240,000	-
Writedown of advances to and investments in foreign joint ventures	-	227,000
Other	237,000	20,000
Working capital provided from (used in) operations	10,751,000	(4,094,000)
OTHER WORKING CAPITAL PROVIDED		
Reduction of long-term investments	-	250,000
Net fixed assets sold or retired		
Discontinued Operations	-	747,000
Golconda Metals Division	-	960,000
Net fixed assets transferred to assets held for sale:		
Discontinued Operations	1,695,000	-
Golconda Metals Division	-	1,249,000
Gauge Assets	-	250,000
Reduction of long-term notes receivable	298,000	-
Increase in working capital for December, 1973 (Note A)	405,000	-
Working capital provided by other than operations	2,398,000	3,456,000
DISPOSITIONS OF WORKING CAPITAL		
Net additions to property, plant and equipment	1,890,000	456,000
Reduction of long-term debt	3,098,000	352,000
Preferred cash dividends	383,000	383,000
Sundry	(5,000)	17,000
Dispositions of working capital	5,366,000	1,208,000
INCREASE(DECREASE) IN WORKING CAPITAL	$ 7,783,000	$(1,846,000)

(continued)

GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION

For the Years Ended December 31, 1974 and 1975

	13 Months Ended December 31, 1974 (Note A)	December 31 1975
INCREASES(DECREASES) IN ELEMENTS OF WORKING CAPITAL		
Cash and certificates of deposit	$ 598,000	$ 1,199,000
Commercial paper	-	4,550,000
Notes and accounts receivable - net	5,885,000	(9,620,000
Inventories	(2,196,000)	(6,743,000
Income taxes	-	1,852,000
Prepaid expenses and sundry deposits	(107,000)	87,000
Investments held for sale	-	250,000
Net assets of businesses held for sale	4,660,000	(3,945,000
Net increase (decrease) in current assets	8,840,000	(12,370,000
Current maturities of long-term debt	(816,000)	9,000
Notes payable	4,365,000	(8,000,000
Accounts payable	(3,336,000)	(82,000
Income taxes	1,678,000	(2,556,000
Accrued liabilities	(834,000)	105,000
Net increase(decrease) in current liabilities	1,057,000	(10,524,000)
INCREASE (DECREASE) IN WORKING CAPITAL	$7,783,000	$(1,846,000)

The accompanying notes are an integral part of this statement.

GOLCONDA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1974 and 1975

Note 1: SUMMARY OF ACCOUNTING POLICIES

CONSOLIDATION - All operating subsidiaries are consolidated and significant inter-company transactions have been eliminated.

NOTE REFERENCES - In the accompanying financial statements, alphabetic note references are to Notes to Consolidated Statement of Operations included elsewhere herein.

INVENTORIES - Inventories are stated at the lower of cost (determined by the first-in, first-out method) or market. Inventories are comprised of the following:

	(In Thousands) 1973	1974	1975
Finished Goods and Work in Process	$16,598	$14,685	$ 9,134
Raw Materials and Supplies	3,718	2,833	1,641
Total	$20,316	$17,518	$10,775

INVESTMENTS - Golconda carries its investments in mining companies at the lower of cost or estimated realizable value. Gains or losses on sales are determined based on the average cost of securities.

DEPRECIATION - For financial reporting purposes, the Company computes depreciation principally on a straight-line basis over the estimated useful life of the assets. The estimated service lives and methods used in determining depreciation are as follows:

Description	Service Lives	Method of Depreciation
Buildings and improvements	5 to 50 years	Straight-line
Machinery	5 to 20 years	Straight-line
Furniture and fixtures	5 to 20 years	Straight-line
Land improvements	15 to 20 years	Straight-line

Maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost, the accumulated depreciation account is relieved of the depreciation taken prior to the sale and any resultant gain or loss is reflected in earnings.

INCOME TAXES - Provision is made for deferred taxes which arise primarily from the use for tax purposes of accelerated depreciation methods and the installment sales method for investment income. Prepaid income taxes arise from provisions not currently deductible for tax purposes, principally related to inventory and assets of businesses held for sale. Available investment tax credits are accounted for under the "flow-through" method. In 1974 the amount available was $43,000. In 1975 the amount available was $46,000, but recapture amounted to $61,000, resulting in a net investment tax credit recapture of $15,000. The investment tax credit and the effect of the use of a Domestic International Sales Corporation resulted in Federal income tax provision reductions of $180,000 and $25,000 in 1974 and 1975, respectively.

Effective June 3, 1974, Golconda was included in the consolidated Federal tax return of Cerro Corporation. Under the terms of Golconda's tax sharing agreement with Cerro, Federal income taxes are computed as if Golconda and its subsidiaries continued to file a separate consolidated return and liabilities are remitted to and benefits and refunds obtained on this basis from Cerro. State income tax returns are filed on an individual company basis.

RESEARCH AND PRODUCT DEVELOPMENT COSTS - Research and product development costs are expensed as incurred.

EXCESS OF COST OF ACQUIRED COMPANIES OVER EQUITY - The amount shown on the balance sheet arose prior to fiscal year 1971 and is not being amortized because, in the opinion of management, there has been no diminution of value.

PENSION PLANS - Unfunded past service costs are being funded on a thirty-year basis; current costs are being funded as accrued.

Note 2: INVESTMENTS

At December 31, 1974 and 1975, investments were comprised of the capital stock of mining companies as follows:

	1974		1975	
	Balance	Quoted Market Price (a)	Balance	Quoted Market Price (a)
Alice Consolidated Mines, Inc. (54% owned) (4,308,020 shares in 1974 and 1975)	$399,000	$1,508,000	$399,000	$ 819,000
Other	389,000	388,000	389,000	255,000
Reserve	(175,000)			
Writedown to estimated realizable value (b)			(538,000)	
	$613,000	$1,896,000	$250,000	$1,074,000

(a) The quoted market prices in the various stocks result from limited and very small share quantity transactions and management believes they are not representative for large block and controlling interest transactions.

(b) It is the Company's intention to dispose of these investments in 1976, and accordingly, their carrying value has been reduced to management's estimate of realizable value.

The primary asset of Alice Consolidated Mines, Inc. (Alice), 51% of total investments , is 1,109 acres of mining properties which, until June 1975, had been undergoing exploration and development by another mining company under an agreement in which Golconda also participated. All exploration and development of these properties has ceased due to lack of sufficient mineralization to warrant further development effort. Management believes that the value of Alice has been permanently impaired by the cessation of such exploration and development.

Earnings (loss), before income taxes, from investments for the years ended December 31, 1974 and 1975 are summarized below:

	1974	1975
Net gain on sale of Hecla Mining Company stock		
Shares sold to Cerro	$ 8,033,000	
Shares sold to others	2,508,000	
Expenses, principally for administration of properties	(100,000)	$(71,000)
Reserve for value decline of certain investments	(175,000)	(363,000)
Investment earnings (loss) before income taxes	$10,266,000	$(434,000)

The sale of Hecla stock to Cerro was completed on a basis which resulted in Golconda receiving $916,651 in cash and $9,000,000 in a 2-1/2 year promissory note of Cerro with interest at 110% of the prime rate. On January 24, 1975 the note was prepaid by Cerro together with accrued interest.

Note 3: SHORT-TERM DEBT

The $8,000,000 note payable to bank at December 31, 1974 arose in conjunction with the sale of Hecla shares (see Note 2) and, although originally a long-term borrowing, was classified as short-term in the 1974 balance sheet because the proceeds of the Cerro note receivable (see Note 2) were used to retire this obligation on January 25, 1975.

Note 4: LONG-TERM DEBT

Long-term debt at December 31, 1974 and 1975 is comprised of the following (in thousands):

	1974	1975
7% convertible subordinated debentures due January 1, 1990	$4,427	$4,164
10% first mortgage note payable in monthly installments of $28,975 including interest, final payment due April 1, 1990	2,711	2,631
	7,138	6,795
Less current maturities	80	89
	$7,058	$6,706

The aggregate amounts of long-term debt maturing in each of the five years subsequent to December 31, 1975 are as follows:

1976	$ 89,000
1977	98,000
1978	247,000
1979	444,000
1980	457,000

The 7% convertible subordinated debenture agreement contains certain covenants, the most restrictive of which provide, among other things, that the Company:

> Will maintain consolidated net working capital of $10,000,000. At December 31, 1975, consolidated net working capital was $23,227,000.
>
> Will not pay cash dividends or acquire for cash any shares of its stock in excess of $1,000,000 plus its cumulative consolidated net income after November 30, 1969. At December 31, 1975, retained earnings in the amount of $4,558,000 were free of such restrictions.

In connection with the 7% subordinated note agreements, the Company has issued warrants entitling the holders thereof to purchase, at a price per share of $14.51, up to 292,467 shares of the Company's common stock. These warrants expire January 15, 1979.

The trust indenture underlying the convertible subordinated debentures provides, among other things, that the debentures are redeemable at the Company's option at prices ranging from 104.0% in 1976 to 100% in 1984; that annual sinking fund payments of $325,000 are required beginning in 1976 (such payments can be reduced by the principal amount of debentures acquired by the Company or converted into common stock, and as a result, all of the 1976 and 1977 installments and all but $139,000 of the 1978 installment have already been satisfied), that the Company has an option to make additional annual payments of $325,000 and that the debentures are convertible into shares of common stock at a conversion price of $10.67 per share (subject to non-dilution provisions).

Note 5: PENSION PLANS

The Company has two pension plans covering substantially all employees. The charges to continuing operations for the cost of the pension plans for the years ended December 31, 1975 and 1974 were $355,000 and $381,000, respectively.

In connection with the sale of the Bastian-Blessing Division (see Note B), the buyer agreed to assume all liabilities for pension benefits of Bastian-Blessing employees and the Company agreed to transfer to the buyer the pension fund assets attributable to Bastian-Blessing employees. This distribution of pension plan assets is expected to be concluded and approved by the Internal Revenue Service during 1976 and a current actuarial study will be completed at that time. As of the date of the latest actuarial valuations (December 1, 1974), the actuarially computed value of the unfunded vested benefits and unfunded prior service cost for the continuing plans exceeded the total of the pension fund assets and balance sheet accruals by approximately $2,900,000 and approximately $3,700,000, respectively.

The Company's actuary has determined that the Employee Retirement Income Security Act of 1974 is not expected to have a significant effect upon the cost of the Company's pension plans.

Note 6: CAPITAL STOCK

Preferred stock consists of 934,406 authorized shares of $1.00 par value, of which 383,157 shares are issued and outstanding at December 31, 1975.

The preferred stock is entitled to a preferential cumulative annual dividend at a rate of $1.00 per share. The shares are redeemable at the option of the Company at $37.50 per share plus unpaid cumulative dividends. The aggregate redemption and liquidation value at December 31, 1975 is $14,368,387. The preferred stock has liquidation rights over the common stock in any final distribution and is entitled to one vote for each share held.

The preferred shares are convertible into common shares at the option of the holder at the rate of one and one-half shares common stock for each preferred share held. This conversion rate is subject to non-dilution provisions.

Common stock consists of 7,500,000 authorized shares, without par value, of which 2,785,595 shares are outstanding. At December 31, 1975, 1,282,103 shares of authorized but unissued common shares have been reserved as [illegible] 574,735 shares upon conversion of preferred stock; 414,901 shares upon conversion of the 7% convertible subordinated debenture (Note 4); 292,467 shares upon exercise of warrants for the purchase of common stock (Note 4). At December 31, 1975, there are 71,250 shares of common stock held in treasury.

During 1974, Cerro Corporation acquired 2,411,325 common shares and 281,635 preferred shares representing 86.6% and 73.5% of the total outstanding, respectively.

An analysis of the transactions during the thirteen months ended December 31, 1974 affecting preferred and common stock, additional contributed capital and treasury stock follows:

	Preferred Stock	Common Stock	Additional Contributed Capital	Treasury Stock
Balance at November 30, 1973	$383,212	$773,647	$5,673,539	$(519,600)
Conversion of 55 shares of preferred stock into 82 shares of common stock	(55)	55		
Balance at December 31, 1974	$383,157	$773,702	$5,673,539	$(519,600)

There was no activity during the year ended December 31, 1975.

Note 7: NET ASSETS OF BUSINESSES HELD FOR SALE

The balance at December 31, 1974 represents the net assets of the Bastian-Blessing Division (principally receivables, inventory and property, plant and equipment) which was sold in February, 1975.

The December 31, 1975 balance consists principally of the property, plant and equipment of the Golconda Metals Division (see Note C).

Note 8: CONTINGENT LIABILITIES

The Company is one of 35 defendants in an alleged class action by a shareholder of United States National Bank of San Diego, in Fred H. Harmsen, et al vs. C. Arnholt Smith, et al, filed on October 29, 1973, in the United States District Court for the Southern District of California. The plaintiff purports to be acting in a derivative capacity on behalf of the shareholders of the bank. The complaint seeks damages and other relief on behalf of the shareholders of the bank on account of alleged violations of federal securities laws, illegal loans, improper acts of the bank's directors, and conspiracy to commit the foregoing acts and fraud.

In the opinion of the Company and outside counsel, the exposure of Golconda Corporation to any liability seems very remote in that the corporation's only connection with the United States National Bank or with C. A. Smith is that some of Golconda Corporation's stock was at one time possessed by one of the Smith-dominated corporations. There have not been any material transactions between the Company and the other defendants and the United States National Bank of San Diego, and it is management's opinion that there are no facts, nor have any been specifically alleged relating to Golconda warranting inclusion of the Company in the complaint. An identical class action suit was filed by plaintiff in the Superior Court in and for the County of San Diego to toll the statute of limitations in the State Court, but to date this suit has not yet been formally served upon Golconda Corporation.

GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE V

PROPERTY, PLANT AND EQUIPMENT

	Balance at Beginning of Period	Additions at Cost	Deductions: Properties of Discontinued Operations	Deductions: Retirements and Sales	Other Changes	Balance at End of Period
Year Ended 12/31/75						
Land	$ 839,000	$ -	$ -	$ -	$ (241,000)	$ 598,000
Buildings & Improvements	3,396,000	132,000	(235,000)	(3,000)	(343,000)	2,947,000
Machinery, Equipment & Tools	12,356,000	354,000	(4,223,000)	(259,000)	(1,139,000)	7,089,000
Furniture & Fixtures	409,000	1,000	(50,000)	(103,000)	(1,000)	256,000
	$17,000,000	$ 487,000	$(4,508,000)	$(365,000)	$(1,724,000)(A)	$10,890,000
Year Ended 12/31/74						
Land	$ 691,000	$ 180,000	$ (32,000)	$ -	$ -	$ 839,000
Buildings & Improvements	4,963,000	349,000	(1,896,000)	(20,000)	-	3,396,000
Machinery, Equipment & Tools	13,178,000	1,329,000	(1,565,000)	(290,000)	(296,000)	12,356,000
Furniture & Fixtures	525,000	85,000	(168,000)	(33,000)	-	409,000
	$19,357,000	$1,943,000	$(3,661,000)	$(343,000)	$ (296,000)(A)	$17,000,000

(A) Transfer to Assets Held for Sale

GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE VI

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT & EQUIPMENT

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Balance of Discontinued Operations	Retirements and Sales	Other	Balance at End of Period
Year Ended 12/31/75						
Buildings & Improvements	$1,400,000	$ 125,000	$ (190,000)	$ (3,000)	$ (24,000)	$1,308,000
Machinery, Equipment & Tools	6,446,000	774,000	(2,565,000)	(234,000)	(180,000)	4,241,000
Furniture & Fixtures	238,000	37,000	(46,000)	(97,000)	(1,000)	131,000
	$8,084,000	$ 936,000	$(2,801,000)	$(334,000)	$(205,000)(A)	$5,680,000
Year Ended 12/31/74						
Buildings & Improvements	$2,035,000	$ 249,000	$ (863,000)	$ (21,000)	$ -	$1,400,000
Machinery, Equipment & Tools	6,842,000	879,000	(1,007,000)	(242,000)	(26,000)	6,446,000
Furniture & Fixtures	299,000	64,000	(98,000)	(27,000)	-	238,000
	$9,176,000	$1,192,000	$(1,968,000)	$(290,000)	$ (26,000)(A)	$8,084,000

(A) Transfer to Assets Held for Sale

GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE VII

INTANGIBLE ASSETS, DEFERRED RESEARCH AND DEVELOPMENT EXPENSES, PRE-OPERATING EXPENSES AND SIMILAR DEFERRALS

EXCESS OF COST OVER UNDERLYING EQUITY OF NET ASSETS ACQUIRED

Description	Balance at Beginning of Period	Additions at Cost	Deductions	Other Changes	Balance at End of Period
Year Ended 12/31/75	$3,135,000	$ -	$ -	$ -	$3,135,000
Year Ended 12/31/74	$4,375,000	$ -	(A) $(1,240,000)	$ -	$3,135,000

(A) Written off in connection with sale of division.

GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE XII

RESERVES

	Balance at Beginning of Period	Charged Costs and Expenses	Deductions	Balance at End of Period
Continuing Operations				
Allowance for Doubtful Receivables				
Year Ended 12/31/75	$256,000	$ 322,000	$(287,000)	$ 291,000
Year Ended 12/31/74	$ 55,000	$ 237,000	$ (36,000)(B)	$ 256,000
Inventory Valuation Reserve				
Year Ended 12/31/75	$900,000	$1,260,000	$(510,000)	$1,650,000
Year Ended 12/31/74	$ -	$ 900,000	$ -	$ 900,000
Reserve for Decline in Market Value of Investments				
Year Ended 12/31/75	$175,000	$ -	$(175,000)(C)	$ -
Year Ended 12/31/74	$ -	$ 175,000	$ -	$ 175,000
Discontinued Operations				
Allowance for Doubtful Receivables				
Year Ended 12/31/75	$ 98,000	$ -	$ (98,000)(A)	$ -
Year Ended 12/31/74	$ 29,000	$ 119,000	$ (50,000)(B)	$ 98,000(D)

(A) Included with assets of divisions sold.
(B) Uncollectible accounts written off, net of recoveries.
(C) Included as part of the writedown to net realizable value in 1975.
(D) Balance includes $12,000 for Pioneer Astro Industries Division contracts business and $86,000 for Bastian-Blessing Division.

GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE XVI

SUPPLEMENTARY INCOME STATEMENT INFORMATION

	Year Ended 12/31/75	Year Ended 12/31/74
Continuing Operations		
Maintenance & Repairs	$ 528,000	$ 697,000
Depreciation of Property, Plant & Equipment	$ 936,000	$ 829,000
Taxes Other Than Income Taxes:		
Real Estate & Personal Property	$ 250,000	$ 307,000
Payroll	425,000	692,000
Sundry	14,000	1,000
Total Taxes	$ 689,000	$1,000,000
Rents	$ 273,000	$ 182,000
Discontinued Operations		
Maintenance & Repairs		$ 135,000
Depreciation of Prqperty, Plant & Equipment		$ 363,000
Taxes Other Than Income Taxes:		
Real Estate & Personal Property		$ 295,000
Payroll		589,000
Sundry		6,000
Total Taxes		$ 890,000

P A R T   II

Part II will not be filed at this time pursuant to General Instructions H which permits omission if a proxy statement is filed not later than 120 days after the close of the fiscal year.

S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, Golconda Corporation has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLCONDA CORPORATION

by: David R. Nomura
Treasurer

DATE: ______________

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Year Ended December 31, 1976	Commission File Number 1-848

GOLCONDA CORPORATION

(Exact name of registrant as specified in its charter)

Idaho	82-0122540
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
39 South LaSalle Street, Chicago, Illinois	60603
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (312) 372-9500

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
$1.00 Cumulative Convertible Preferred Stock	Pacific Stock Exchange
Common Stock	Pacific Stock Exchange, Spokane Stock Exchange and Intermountain Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of Class

7% Convertible Subordinated Debentures Due January 1, 1990

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No __

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Common stock outstanding as of December 31, 1976:
2,774,392 shares without par value

LS 000103

ITEM 1 - BUSINESS

Golconda Corporation (Golconda) presently operates in one principal area of interest -- controls and related equipment. In 1975, Golconda decided to terminate its participation and dispose of its investments in mining companies. This was accomplished in 1976.

In February 1975, Golconda sold its division which was engaged in the design, manufacture and marketing of modular and custom kitchen, cafeteria and restaurant equipment.

In April 1975, Golconda sold the contracts business of a division which was engaged in the engineering and manufacturing of precision components and assemblies for use in aerospace vehicles, military and commercial aircraft and computers.

In May 1975, Golconda discontinued operations of its division which was engaged in recycling brass scrap from the other manufacturing divisions into machining rod and forgings.

Through its RegO Division (RegO), Golconda designs, develops, manufactures and markets: (a) pressure regulators, valves and other control equipment for LP-gas and anhydrous ammonia; (b) pressure regulators, cylinder valves, manifolds and other control equipment for compressed gases; (c) gas welding and cutting equipment, and (d) pneumatic control devices for the fluid power industry. A common characteristic of RegO products is the control or regulation of the flow of gases either into or out of containers in which the gases are stored, or into piping systems. RegO products are designed for a wide variety of gases and temperature and pressure extremes. Products for use with cryogenic gases are required to withstand temperatures as low as minus 320 degrees F. Depending on the application, RegO equipment is designed to regulate pressure up to 3,000 pounds per square inch.

RegO products are sold nation-wide and, to a limited extent, abroad. Sales are made by a combination of eleven full-time RegO salesmen and five-hundred fifty-one distributors located primarily in the United States. In 1976, the largest customer of this division accounted for approximately 12% of its sales and its five largest customers for about 32% of its sales.

Through its Anderson Copper and Brass Division (Anderson), Golconda manufactures and markets a line of fittings for use with copper tubing. Included in the product line are flared fittings, compression fittings, inverted flare, double compression and brass pipe fittings, as well as garden hose and air hose fittings. A catalog of standard items is issued, but orders are solicited for special items of a related nature. Designed for use with a variety of gases and liquids, the primary application is in the plumbing industry.

Brass fittings manufactured by Anderson are sold on a nation-wide basis by thirty manufacturer's agents who serve approximately two thousand accounts. A limited amount of sales are abroad. In 1976, the largest customer of the division accounted for approximately 5% of its sales and its five largest customers accounted for about 16% of its sales.

LS 000104

Competition

Golconda is subject to intense competition from a large number of firms. Competition varies from older and larger firms having greater financial resources than Golconda to small local and regional competitors which have advantages deriving from proximity to local markets. RegO's principal market is the LP-gas industry, and RegO is a significant supplier of LP-gas equipment.

Backlog

As of December 31, 1976, Golconda's backlog of orders totalled $5,645,000, all of which are expected to be filled in 1977. At December 31, 1975 backlog amounted to $3,323,000. Backlog amounts are not necessarily indicative of sales for subsequent periods because of the short lead time between receipt of order and delivery.

The business is directly affected by general business conditions, especially those involving the petroleum and construction industries.

Materials

Raw materials and components used by Golconda in its manufacturing operations are available from more than one supplier, although it may obtain certain parts and materials from a single source and supplier.

Research and Development

The dollar amount of expenditures during the last two fiscal years relating to the development of new products or the improvement of existing products was not material.

Number of Employees

Golconda has approximately 700 full-time employees, of which 190 are in executive, managerial, professional, office and clerical positions and the balance of 510 consists of factory, warehouse and other production related personnel.

Environmental Matters

Golconda is subject to environmental regulation by federal, state and local authorities. There are no known material expenditures required of Golconda for pollution control equipment under applicable environmental laws.

Line of Business Information

Golconda's continuing manufacturing operations are, and have been for the last five years, engaged in only one line of business -- the production and sale of controls and related equipment.

ITEM 2 - GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

The following consolidated statements of operations, retained earnings and additional contributed capital for the years ended December 31, 1976 and 1975 have been examined by certified public accountants whose reports are included elsewhere herein. The consolidated statements for the two years ended November 30, 1973 and the year ended December 31, 1974 are not reported on herein by certified public accountants.

CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands except per share data)

	Year Ended				
	December 31,			November 30,	
	1976	1975	1974(A)	1973	1972
			(Not covered by reports of certified public accountants)		
Continuing operations:					
Net sales from manufacturing operations (B)	$ 26,809	$ 21,481	$ 31,059	$ 33,011	$ 26,838
Cost of goods sold (1)	21,618	19,308	24,078	23,540	19,376
Gross profit from manufacturing operations	5,191	2,173	6,981	9,471	7,462
Selling and administrative expenses	5,147	4,808	6,136	5,643	4,349
Interest expense	601	715	1,162	795	930
Interest income	(580)	(492)	(834)	(50)	(74)
Other (income) expense-net(C)	(351)	1,664	(99)	(373)	(478)
	4,817	6,695	6,365	6,015	4,727
Income (loss) before income taxes:					
Manufacturing	374	(4,522)	616	3,456	2,735
Investments(2)	(184)	(434)	10,266	1,668	483
	190	(4,956)	10,882	5,124	3,218
Income tax provision (benefit) (D) and (1):					
Current	(493)	2,694	1,643	1,466	1,077
Deferred	588	(3,070)	1,763	505	316
	95	(376)	3,406	1,971	1,393
Income (loss) from continuing operations	95	(4,580)	7,476	3,153	1,825
Discontinued operations (B):					
Income (loss) from operations			275	48	(119)
Loss on sales of divisions		(735)	(2,190)		
Income (loss) from discontinued operations		(735)	(1,915)	48	(119)
Net income (loss)	95	(5,315)	5,561	3,201	1,706
Net income applicable to preferred stock dividend	381	383	383	385	399
Net income (loss) applicable to common stock	$ (286)	$ (5,698)	$ 5,178	$ 2,816	$ 1,307

(Continued)

LS 000106

	Year Ended				
	December 31,			November 30,	
	1976	1975	1974 (A)	1973	1972
			(Not covered by reports of certified public accountants)		
Net income (loss) per common share (F):					
Primary					
From continuing operations -					
Manufacturing	$ .07	$ (1.00)	$ .14	$ .59	$ .53
Investments	(.03)	(.65)	2.09	.35	.12
	.04	(1.65)	2.23	.94	.65
Discontinued operations	-	(.26)	(.57)	.01	(.04)
	.04	(1.91)	1.66	.95	.61
Less: Preferred dividend requirement	.14	.14			.14
Net income (loss)	$ (.10)	$ (2.05)	$ 1.66	$ .95	$ .47
Fully diluted -	$ (.10)	$ (2.05)	$ 1.52	$ .89	$ .47
Weighted average common shares outstanding	2,781	2,785	2,785	2,785	2,785
Weighted average common shares and, where applicable, equivalents for income per common share calculation:					
Primary	2,781	2,785	3,360	3,365	2,785
Fully diluted			3,776	3,793	

The accompanying notes are an integral part of this statement.

LS 000107

Golc - CDA dm - 0105

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	YEAR ENDED				
	December 31,			November 30,	
	1976	1975	1974(A)	1973	1972
				(Not covered by reports of certified public accountants)	
Balance - beginning of period	$ 18,413,000	$ 24,111,000	$ 18,654,000	$ 15,838,000	$ 14,531,000
Net income (loss) for the period	95,000	(5,315,000)	5,561,000	3,201,000	1,706,000
Net income for December, 1973 (Note A)			279,000		
	18,508,000	18,796,000	24,494,000	19,039,000	16,237,000
Cash dividends paid - preferred	(381,000)	(383,000)	(383,000)	(385,000)	(399,000)
Balance - end of period	$ 18,127,000	$ 18,413,000	$ 24,111,000	$ 18,654,000	$ 15,838,000

The accompanying notes are an integral part of this statement.

LS 000108

GOLCONDA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ADDITIONAL CONTRIBUTED CAPITAL

	YEAR ENDED				
	December 31,			November 30,	
	1976	1975	1974(A)	1973	1972
			(Not covered by reports of certified public accountants)		
Balance - beginning of period	$ 5,674,000	$ 5,674,000	$ 5,674,000	$ 5,748,000	$ 5,880,000
Purchase and retirement of preferred stock (2,078 shares in 1976, 6,400 shares in 1973 and 10,964 shares in 1972)	(26,000)			(74,000)	(132,000)
Balance - end of period	$ 5,648,000	$ 5,674,000	$ 5,674,000	$ 5,674,000	$ 5,748,000

The accompanying notes are an integral part of this statement.

LS 000109

GOLCONDA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS OF OPERATIONS, RETAINED EARNINGS AND ADDITIONAL CONTRIBUTED CAPITAL

Information with respect to the years ended December 31, 1974, November 30, 1973 and 1972 is not covered by the certified public accountants' reports included elsewhere herein.

In the accompanying financial statements numeric note references are to Notes to Consolidated Financial Statements included elsewhere herein.

Golconda Corporation (Golconda) is a subsidiary of Cerro-Marmon Corporation (Cerro-Marmon) (Cerro Corporation (Cerro) prior to acquisition of Cerro by Cerro-Marmon on February 24, 1976).

(A) CHANGE OF FISCAL YEAR

During 1974, Golconda changed its fiscal year-end to December 31 to conform to the year-end of its parent company. December 1973 operating results, net of taxes of $47,000, have been credited directly to retained earnings and are summarized below (in thousands):

Net sales:	
Continuing operations	$ 1,981
Discontinued operations	1,310
	$ 3,291
Net income (loss):	
Continuing operations -	
Manufacturing	$ (60)
Investments	382
	322
Discontinued operations	(43)
	$ 279

(B) DISCONTINUED OPERATIONS

(1) In February 1975, Golconda entered into an agreement to sell the Bastian-Blessing Division (B-B). A $2,190,000 provision for loss on the sale, comprised of the write-off of $1,240,000 of goodwill applicable to B-B and a $950,000 loss on disposal of net assets, net of a $950,000 tax benefit, was reflected in the financial statements for the year ended December 31, 1974. The final agreed cash price amounted to $3,850,000 and resulted in an actual loss of $2,406,000. The additional loss of $216,000, net of a tax benefit of $146,000, was recorded in 1975.

(2) In April 1975, Golconda entered into an agreement to sell the Pioneer Astro Industries Division (PAI) contracts business. The final agreed cash price of $1,184,000 resulted in a $519,000 loss, net of a tax benefit of $487,000. The loss included estimated liabilities resulting principally from the buyer's default on a building lease. Golconda has instituted legal proceedings in an attempt to recover losses resulting from the default.

In the opinion of management, although Golconda has a proper legal position, collection of a judgment is doubtful; accordingly, the total amount of the lease obligation through September 1977 was recorded as a loss in 1975.

(3) Following is an analysis of the income (loss) of discontinued businesses and related loss on disposal (in thousands):

	Year Ended			
	December 31,		November 30,	
	1975	1974	1973	1972
Income (loss) of discontinued operations:				
B-B		$ 507	$ 166	$ (13)
Income taxes (benefit)		259	69	(6)
		248	97	(7)
PAI contracts business		54	(99)	(223)
Income taxes (benefit)		27	(50)	(111)
		27	(49)	(112)
		275	48	(119)
(Loss) on sales of divisions				
B-B (net of tax benefits of $146 in 1975 and $950 in 1974)	$ (216)	(950)		
Goodwill written off (no tax benefit)		(1,240)		
PAI contracts business (net of tax benefit of $487)	(519)			
	(735)	(2,190)		
	$ (735)	$ (1,915)	$ 48	$ (119)

In determining income (loss) of the discontinued B-B operations, B-B was charged with a portion of corporate administrative expenses which were charged ratably to B-B and which were not expected to continue and with interest expense which would have been eliminated and/or earned through the use of the proceeds of the sale.

In determining income (loss) of the discontinued PAI contracts business, PAI contracts business was charged with interest expense which would have been earned through the use of the proceeds of the sale. Corporate administrative expenses were not allocated because such expenses were not expected to be eliminated.

LS 000111

Golc - CDA dm - 0109

(C) OTHER TERMINATIONS AND DISPOSALS

(1) In 1975, Golconda ceased operations at its Golconda Metals Division (GMD) plant in Alsip, Illinois. A $1,178,000 provision for losses incurred and expected to be incurred in connection with the shut down of this facility was reflected in 1975 in Other Income and Expense in the Consolidated Statement of Operations.

The disposal of the GMD properties was completed in 1976 and resulted in an additional loss of $59,000 which is included in Other Income and Expense in the Consolidated Statement of Operations.

(2) During 1975, management decided to terminate Golconda's participation in the various foreign joint ventures for manufacturing and distributing liquefied petroleum gas products. A $729,000 loss resulting from the recognition of liabilities related to the terminations and from the write-downs of Golconda's advances to and investments in these ventures was reflected in Other Income and Expense in the Consolidated Statement of Operations.

(3) In December 1976, Golconda sold its investments in mining stocks and related assets to one of Golconda's directors for $175,000. The net book value of the assets sold was $310,000, including mining stock investments stated at $250,000, resulting in a loss in 1976 of $135,000. The mining stocks were originally purchased for $788,000 and were subsequently written down to an estimated realizable value of $250,000 in 1975. The write-down was made because, in the opinion of management, the value of assets underlying these mining stocks had become permanently impaired, principally as a result of the cessation of exploration and development at the Alice Consolidated project which comprised 51% of total mining stock investments. (See Note 2 of Notes to Consolidated Financial Statements.)

During the past two years, several attempts had been made to sell these mining investments. The transaction was approved by Golconda's board of directors, with the acquiring director abstaining from voting.

(D) INCOME TAXES

Golconda's effective income tax rates for income (loss) from continuing operations are different from the Federal statutory rates. The following table analyzes these differences:

	1976	1975	1974	1973	1972
Statutory rates - Federal	48.0%	(48.0)%	48.0%	48.0%	48.0%
Impact of capital gains rates on investment income and losses		2.0	(17.2)	(6.2)	(3.3)
Impact of ordinary rates on investment income deferred until 1975 (a)		30.7			
Investment tax credits	(3.7)	.3	(.4)	(2.9)	(.7)
Profits of Domestic International Sales Corporation	(3.2)	.2	(1.4)	(2.0)	(1.1)
State taxes and other	8.9	7.2	2.3	1.6	.4
Effective income tax rate	50.0%	(7.6)%	31.3%	38.5%	43.3%

(a) Because of the substantial tax losses incurred in 1975, excluding deferred investment gains, the previously deferred investment earnings were effectively taxed at the 48% statutory rate rather than the 30% capital gains rate provided in prior years.

Tax law allows or requires the determination of taxable income in a manner different from generally accepted accounting principles. The table below reconciles earnings of continuing operations per the accompanying financial statements to currently payable taxes.

LS 000113

	(In Thousands)				
	1976	1975	1974	1973	1972
Income (loss) from continuing operations before income taxes	$ 190	$ (4,956)	$ 10,882	$ 5,124	$ 3,218
Investment gains taxable in different periods due to use of installment sales tax treatment (1975 and 1974) and specific identification costing		8,453	(6,709)	(529)	(610)
Excess of tax over book depreciation	(145)	(200)	(308)	(310)	(226)
Commissions on Domestic International Sales Corporation			195	(195)	(105)
Losses on write-down of assets to estimated realizable value included in taxable income in different periods as realized:					
Gauge		374	250		
GMD	(457)	360	234		
Investment in and advances to foreign joint ventures	(98)	200			
Mining investments	(538)	363	175		
Inventory reserves	(717)	750	900		
Product liability reserves	166				
Other	(183)	298	(355)	(284)	203
Current taxable income (loss)	$ (1,782)	$ 5,642	$ 5,264	$ 3,806	$ 2,480
Current income tax provision (benefit)	$ (493)	$ 2,694	$ 1,643	$ 1,466	$ 1,077

The 1976 current income tax benefit and the deferred income tax provision (at an effective rate of 50%) have each been decreased by $380,000, with no effect on net income, to reflect the 1975 federal income tax return as filed.

LS 000114

The provision (benefit) for income taxes consists of:

	(In Thousands)				
	1976	1975	1974	1973	1972
Current:					
Federal	$ (426)	$ 2,061	$ 1,818	$ 1,316	$ 892
State	(67)	-	111	169	68
Deferred	588	(3,070)	813	505	316
	$ 95	$ (1,009)	$ 2,742	$ 1,990	$ 1,276
Allocated to:					
Continuing Operations	$ 95	$ (376)	$ 3,406	$ 1,971	$ 1,393
Discontinued operations		(633)	(664)	19	(117)
	$ 95	$ (1,009)	$ 2,742	$ 1,990	$ 1,276

See Note 1 - INCOME TAXES

(E) INVENTORY

In 1976 management completed a comprehensive review and evaluation of inventory for obsolete and slow-moving items arising from continued depressed industry conditions and determined that the inventory usage levels utilized in computing the reserve for obsolescence should range from one to two years. Prior to 1976, inventory quantities in excess of usage levels ranging from one to four years were the basis for evaluating obsolescence. The effect of this change in estimate was to decrease net income by $245,000 or $.09 per common share in 1976. (See Note 1 of Notes to Consolidated Financial Statements.)

(F) INCOME (LOSS) PER SHARE

Primary income (loss) per share for 1976, 1975 and 1972 is based on the weighted average number of common shares outstanding during each period. Primary income per share for 1974 and 1973 was computed by dividing net income by the average number of common and common equivalent (preferred stock) shares outstanding. For the years 1974 and 1973, such preferred stock had a dilutive effect on income per share, whereas such stock had an anti-dilutive effect for 1976, 1975 and 1972. For purposes of determining primary income per share in 1976 for investment income, taxes were allocated at an effective rate of 48%.

Fully diluted income per share was computed assuming that the average number of common and common equivalent shares outstanding were further increased by conversion as of the beginning of each year of the convertible debentures outstanding (416,000 shares in 1974, 428,000 shares in 1973 and 439,000 shares in 1972). The convertible debentures are not reflected in 1976 and 1975 because they are anti-dilutive in those years.

Options and warrants have not been reflected in the computations because they are anti-dilutive.

LS 000115

(G) RELATED PARTY TRANSACTIONS

Transactions between Golconda and its parent in 1976 and 1975 include the following at prices determined by the parties (in thousands):

	1976	1975
Inventory purchases (35% and 45% of total purchases in 1976 and 1975, respectively)	$ 4,327	$ 3,047
Sales	19	19
Management fee	115	
Interest income		64

Golconda does not have any other material transactions with its parent or other affiliated companies other than certain expenses paid by its parent and charged to Golconda which are directly attributable to Golconda. The parent did not charge Golconda with a management fee in 1975. The management fee in 1976 is in return for various services, including general management, insurance and pension plan matters, legal and taxation matters and other similar matters which its parent provides to its divisions, subsidiaries and affiliates.

See Note 8 of Notes to Consolidated Financial Statements - SUBSEQUENT EVENTS.

MANAGEMENT ANALYSIS OF VARIATIONS
IN CONTINUING OPERATIONS

Manufacturing

1975 vs. 1974:

Net sales decreased 31% in 1975 due principally to lost volume. This lower volume is attributed to depressed conditions in the liquid petroleum gas (LP-gas) industry and an indeterminable loss in market share to competitors. The dollar decrease in sales would have been greater except for a small increase in selling prices.

The decrease in sales volume, increased costs of material and labor, and increased inventory and obsolescence adjustments caused gross profit to decrease as a percentage of sales from 22% in 1974 to 10% in 1975.

Selling and administrative expense decreased 22% due principally to decreased personnel ($631,000), decreased sales commissions due to lower volume ($132,000) and reclassifications of certain freight charges.

Interest expense decreased by $447,000 in 1975 primarily as a result of the repayment of a bank note in January 1975.

Interest income decreased $342,000 in 1975 primarily as a result of the collection of a note receivable in January 1975.

Earnings from continuing operations were severely affected by reduced sales volume, provisions for slow-moving and obsolete inventory, and special provisions and losses on certain transactions which are included in Other Income and Expense in the financial statements (See Note C).

1976 vs. 1975:

Net sales increased 25% in 1976 due principally to price increases as well as increased unit sales volume and better sales mix.

Gross profit increased as a percentage of sales from 10% in 1975 to 19% in 1976. This increase was due primarily to increased selling prices and better sales mix to higher margin LP-gas equipment.

Selling and administrative expenses increased 7% due principally to increased selling expenses ($152,000), increased employee benefit expenses ($124,000), increased product liability insurance expense ($161,000) and the addition of the management fee ($115,000) offset by decreased outside professional services including legal and data processing.

Interest expense decreased by $114,000 in 1976 as a result of the decrease in long-term debt. 1975 also included $60,000 of interest related to a bank note repaid in January 1975.

Interest income increased $88,000 due principally to the increase in marketable securities in 1976 offset by a slight interest rate decrease. Interest income in 1976 also included $55,000 from a note receivable related to the B-B sale which was collected in April 1976. 1975 included $64,000 of interest related to a note receivable collected in January 1975.

LS 000117

Other (income) expense-net reflected income of $351,000 in 1976 compared to a net expense of $1,664,000 in 1975 for a net change of $2,015,000. The GMD loss of $1,178,000 and the $729,000 loss related to the foreign joint ventures in 1975 accounted for most of the change between years.

Fourth quarter results:

Fourth quarter 1976 sales of $7,834,000 were $1,780,000 or 29% better than sales in the third quarter and $2,413,000 or 45% better than fourth quarter of 1975. The increase between the third and fourth quarter of 1976 was due principally to unit sales volume resulting from improved economic conditions in the LP-gas industry creating increased demand. The increase between 1976 and 1975 was due both to price increases and unit sales volume.

Net income in the fourth quarter of 1976 was $265,000 ($.06 per share). Significant year-end adjustments affecting the fourth quarter results included inventory obsolescence write-downs of $195,000, an additional $166,000 provision for product liability losses, a $55,000 loss on the sale of a product line and an additional $40,000 accrual for accident and health expenses.

Net loss, as restated, for the fourth quarter of 1975 was $2,240,000 ($.84 per share). The loss was restated to increase the tax benefit in the fourth quarter and decrease the tax benefit in the first three quarters of 1975 by $1,266,000 or $.45 per share. The loss in the fourth quarter of 1975 was substantially higher due to inventory provisions and significant year end adjustments including:

1. An additional amount of $150,000 provided for the estimated loss on disposal of the Golconda Metals Division assets.

2. A $363,000 write-down of mining stock investments.

3. A $596,000 loss from the expenses and write-downs related to the termination of participation in foreign joint ventures.

4. A $78,000 loss on the sale of the oil-less compressor line.

5. An additional amount of $140,000 provided for estimated loss on the disposal of the gauge line inventory and equipment.

The fourth quarter 1975 loss also included a $188,000 loss from discontinued operations.

Investments

Income through 1974 reflects the gains from sales of Hecla common stock and expenses required to maintain the Golconda Mining Corporation facilities.

In 1975 the loss represents a write-down of mining stock investments (See Note 2), expenses for maintaining the Golconda Mining Corporation facilities, and an additional income tax provision (See Note D).

In 1976 the loss represents expenses for maintaining the Golconda Mining Corporation facilities as well as the loss resulting from the sale of these facilities and the mining stock investments. (See Notes C and 2).

ITEM 3 - PROPERTY

The principal plants operated by Golconda are listed below with their location, square footage, and the principal products manufactured at each location:

Division	Location	Floor Area (Square Feet)	Acreage (Where Appl.)	Principal Products	Owned or Leased
RegO	Chicago Illinois	320,000	19.2	Valves and controls	Owned (1)
	Upper Saddle River, N.J. and Chicago, Illinois	24,000		Distribution center	Leased (2)
Anderson	Alsip, Illinois	29,000	1.7	Brass fittings	Owned

(1) See Note 3 of Notes to Consolidated Financial Statements concerning a mortgage on this plant.

(2) Comprised of two structures, one owned and located in Chicago, Illinois adjacent to the RegO manufacturing facilities, and the other leased for an annual rental of $29,400 and located in Upper Saddle River, New Jersey.

RegO operations are conducted in five adjacent buildings. Manufacturing operations are conducted in a single story brick structure. Two of the remaining four buildings which are used for storage and warehousing of raw material, semi-finished and finished parts, are of brick construction, and two are metal frame. In total, 213,000 square feet are utilized for manufacturing, 39,000 square feet are used for office space and 68,000 square feet are used for storage and warehousing. Manufacturing machinery consists of light to medium metal cutting and processing equipment.

Anderson's manufacturing facilities consist of a one-story expandable concrete and steel building. Space is divided into 27,000 square feet for manufacturing and related facilities and 2,000 square feet for office functions.

Golconda owns all of the significant machinery and equipment used in its operations and considers that its plants and equipment, whether owned or leased, are well maintained, adequately insured, and with normal additions and improvements, adequate for its present and foreseeable requirements.

ITEM 4 - PARENTS AND SUBSIDIARIES

Parent

Cerro-Marmon Corporation, a Delaware corporation, a subsidiary of GL Corporation, located at 39 South LaSalle Street, Chicago, Illinois, 60603, owns 73.9% of the Golconda preferred stock and 86.9% of the Golconda common stock, constituting 85.3% of the outstanding voting stock of Golconda, and may be deemed a parent of Golconda.

Subsidiaries

Golconda Corporation has two subsidiaries as of December 31, 1976 which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

ITEM 5 - PENDING LEGAL PROCEEDINGS

See Note 7 of Notes to Consolidated Financial Statements.

Except for the litigation discussed at Note 7, there are no other pending material legal proceedings, other than ordinary routine litigation incidental to the business, to which Golconda or any of its subsidiaries has become a party or of which any of their property has become the subject.

ITEM 6 - INCREASES AND DECREASES IN OUTSTANDING SECURITIES

(A)	Cumulative Convertible Preferred Stock (Par value $1.00)	
	Balance December 31, 1975	383,157
	Conversion to common shares	(177)
	Purchased by Golconda throughout the year	(2,078)
	Balance December 31, 1976	380,902
(B)	Common Stock (No par value)	
	Balance December 31, 1975	2,785,595
	Conversion of preferred stock	265
	Purchased by Golconda throughout the year	(11,468)
	Balance December 31, 1976	2,774,392
(C)	7% Convertible Subordinated Debentures due January 1, 1990	
	Balance December 31, 1975	$4,164,000
	Purchased by Golconda throughout the year	(188,000)
	Balance December 31, 1976	$3,976,000
(D)	Warrants to Purchase Common Stock @ $14.51 per share, expiring January 15, 1979	
	Balance December 31, 1976 and 1975	292,467

LS 000120

ITEM 7 - APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS

Title of Class	Number of record holders as of December 31, 1976
$1.00 Cumulative Convertible Preferred Stock, $1.00 par value	634
Common Stock, no par value	1,312
7% Convertible Subordinated Debentures, due January 1, 1990	680
Warrants expiring January 15, 1979 (Each to purchase one share of common stock at $14.51 per share)	4

ITEM 8 - EXECUTIVE OFFICERS OF THE REGISTRANT

All officers are elected by the Board of Directors and serve at the pleasure of the Board. The listing immediately following this paragraph shows the position with Golconda of each executive officer; his age; and an account of his business experience during the past five years, including the time he has served in his present position. There is no family relationship between any of the executive officers of Golconda.

Gordon Paul Smith (60)	Chairman of the Board of Directors since June 1974. President and Chief Executive Officer (February 1972 to June 1974). Chairman of the Executive Committee in 1971 and a Director since September 1970.
John R. Morrill (60)	President and Chief Executive Officer since May 1975 and a Director since June 1975. Prior to joining Golconda, Mr. Morrill was Senior Vice President with Automation Industries (1971-1975).
Robert C. Gluth (52)	Vice President and Director since December 1975. Vice President of The Marmon Group, Inc. (Michigan) from February 1970 to September 1976; Executive Vice President of The Marmon Group, Inc. (Michigan) since September 1976; Vice President of GL Corporation since 1972; Vice President of Cerro Corporation from May 1975 to February 1976; Vice President of Cerro-Marmon Corporation from February 1976 to September 1976; Executive Vice President of Cerro-Marmon Corporation since September 1976; and Vice President of Hammond Corporation since December 1976; Director of Cerro Corporation from June 1975 to February 1976; Director of Cerro-Marmon Corporation

since November 1975; and Director of Hammond Corporation since November 1976.

Thomas L. Seifert (36)	Secretary and General Counsel since December 1975. Associate General Counsel of Cerro Corporation from October 1975 to February 1976; Assistant Secretary of Cerro Corporation from December 1975 to February 1976; Legal Counsel of Cerro-Marmon Corporation from February 1976; Legal Counsel and Secretary of Cerro-Marmon since May 1976. Prior to joining Cerro, Mr. Seifert was Associate General Counsel for Canteen Corporation (April 1973 to October 1975) and an attorney with Standard Oil Company (December 1970 to April 1973).
David R. Nomura (33)	Treasurer since October 1975. Prior to joining Golconda, Mr. Nomura was an Audit Manager with the firm of Coopers & Lybrand with which he was employed since June 1965.
Charles B. Cranford (39)	Vice President-Controller since January 1974. Controller of both the Corporation and RegO Division since January 1973. Prior to joining Golconda, he served as division controller and in other accounting assignments for the AMF Corporation.
Donald V. Ytterberg (50)	Vice President since December 1972. Vice President of the Anderson Copper and Brass Company when it was acquired by Golconda in July 1972 and was named President of Anderson in January 1974.

ITEM 9 - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article VI, Section 1, of the ByLaws of Golconda entitled "Indemnification of Directors and Officers" reads as follows:

"Any present or future director or officer, or the executor, administrator or other legal representative of any such director or officer, shall be indemnified by the corporation against reasonable costs, expenses (exclusive of any amount paid to the corporation in settlement), judgments, fines, amounts paid in settlement of any action, suit or proceedings, and counsel fees paid or incurred in connection with any action, suit or proceeding to which legal representative may hereafter be made a party by reason of his being or having been such director of officer; provided, (1) said action, suit or proceeding shall be prosecuted against such director or officer or against his executor, administrator or other legal representative to final determination, and it shall not be finally adjudged in said action, suit or proceedings that he had been derelict in the performance of his duties as such director or officer, or (2) said action, suit or proceeding shall not be settled or otherwise terminated as against such director or officer or his executor, administrator or other legal representative without a final determination on the merits, and it shall be determined that such director or officer had not in any substantial way been derelict in the performance of his duties as charged in such action, suit or proceeding, such determination to be made by a majority of the members of the board of directors who were not parties to such action, suit or proceedings, though less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the board of directors. For purposes of the preceding sentence: (a) "action, suit or proceeding" shall include every action, suit or proceeding, civil, criminal or other; (b) the right of indemnification conferred thereby shall extend to any threatened action, suit or proceeding and the failure to institute it shall be deemed its final determination; (c) the termination of an action, suit or proceeding by a plea of nolo contendere or other like plea shall not constitute a final determination on the merits; (d) a judgment of conviction in any criminal action, suit or proceeding shall not constitute a determination that the person so convicted has been derelict in the performance of his duties if it is determined by a majority of the members of the board of directors who were not a party thereto, though less than a quorum, or by one or more disinterested persons in the manner provided in the preceding sentence that the person so convicted acted in good faith, for a purpose which he reasonably believed to be in the best interests of the company and that he had no reasonable cause to believe that his conduct was unlawful; and (e) advances may be made by the company against costs, expenses and fees as, and upon the terms, determined by the board of directors. The corporation shall indemnify an employee who is not an officer to the same extent that it does an officer. The foregoing right of indemnification shall not be exclusive of any other rights to which any director of officer may be entitled as a matter of law or which may be lawfully granted to him; and the indemnification hereby granted by the company shall be in addition to and not in restriction or limitation of any other privilege or power which the corporation may lawfully exercise with respect to the indemnification or reimbursement of directors, officers or employees."

Golconda maintained directors' and officers' liability insurance in effect until September 30, 1976. As of October 1, 1976 Golconda is acting as a self-insurer with respect to these matters.

ITEM 10

GOLCONDA CORPORATION AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1976 and 1975

Schedules not included above are omitted as either not applicable or not required or the required information is included in the financial statements or the notes thereto.

The individual financial statements and schedules of the Registrant (not consolidated) are omitted because the Registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements being filed are totally-held subsidiaries and, in the aggregate, do not have indebtedness to any person, including the Registrant and its consolidated subsidiaries, in amounts which together exceed 5% of the total assets as shown by the most recent year-end consolidated balance sheet.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
and Stockholders
Golconda Corporation

We have examined the consolidated balance sheet of Golconda Corporation at December 31, 1976 and the related consolidated statements of operations, retained earnings, additional contributed capital and changes in financial position for the year then ended, together with the supporting schedules listed in the accompanying index to consolidated financial statements. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note G, Golconda Corporation purchases a substantial portion of its material inventory from its parent at prices determined by the parties.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Golconda Corporation at December 31, 1976 and the consolidated results of operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG & COMPANY

Chicago, Illinois
March 9, 1977

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and
Board of Directors

Golconda Corporation

In our opinion, the consolidated financial statements included in the accompanying index present fairly the financial position of Golconda Corporation (a subsidiary of Cerro-Marmon Corporation) and its subsidiaries at December 31, 1975, and the results of their operations and the changes in their financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Chicago, Illinois
February 2, 1976

GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 1976 and 1975

ASSETS

CURRENT ASSETS	1976	1975
Cash	$ 123,000	$ 26,000
Certificates of deposit		3,000,000
Commercial paper, at cost which approximates market	11,100,000	4,550,000
Notes and accounts receivable less allowance for doubtful receivables (1976 - $130,000; 1975 - $291,000) (Schedule XII)	4,504,000	5,178,000
Inventories (Note 1) (Schedule XII)	9,215,000	10,775,000
Income taxes (Note 1):		
Refund receivable	937,000	462,000
Deferred	755,000	1,390,000
Prepaid expenses and sundry deposits	23,000	169,000
Investments held for sale - at estimated realizable value (Notes 2 and C)		250,000
Net assets of businesses held for sale-at estimated realizable value (Notes 6 and C)		715,000
Total current assets	26,657,000	26,515,000
PROPERTY, PLANT AND EQUIPMENT - at cost (Notes 1 and 3) (Schedules V and VI)		
Buildings and improvements	2,995,000	2,947,000
Machinery, equipment and tools	6,979,000	7,089,000
Office furniture and fixtures	250,000	256,000
	10,224,000	10,292,000
Less accumulated depreciation	(5,849,000)	(5,680,000)
	4,375,000	4,612,000
Land	598,000	598,000
	4,973,000	5,210,000
OTHER ASSETS		
Excess of cost over underlying equity in net assets acquired (Notes 1 and B)	3,135,000	3,135,000
Deferred debt expense - less accumulated amortization on the bonds outstanding method (1976 - $337,000; 1975 - $295,000)	294,000	336,000
Sundry	229,000	87,000
	3,658,000	3,558,000
	$ 35,288,000	$ 35,283,000

The accompanying notes are an integral part of this statement.

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GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 1976 and 1975

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	1976	1975
Current maturities of long-term debt (Note 3)	$ 98,000	$ 89,000
Accounts payable	1,326,000	1,529,000
Accounts payable - parent	1,098,000	741,000
Accrued liabilities:		
Salaries and wages	133,000	160,000
Property and payroll taxes	246,000	245,000
Employee benefits	661,000	122,000
Other	426,000	402,000
Total current liabilities	3,988,000	3,288,000
LONG-TERM DEBT (Note 3)	6,421,000	6,706,000
DEFERRED INCOME TAXES (Note 1)	518,000	565,000
CONTINGENT LIABILITIES (Notes 7 and 8)		
STOCKHOLDERS' EQUITY (Notes 3 and 5):		
Capital stock -		
Preferred (redemption and liquidation value - 1976 - $14,284,000 and 1975 - $14,368,000)	381,000	383,000
Common	774,000	774,000
Additional contributed capital	5,648,000	5,674,000
Retained earnings	18,127,000	18,413,000
	24,930,000	25,244,000
Less common stock in treasury - at cost	569,000	520,000
Total stockholders' equity	24,361,000	24,724,000
	$ 35,288,000	$ 35,283,000

The accompanying notes are an integral part of this statement.

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GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Years Ended December 31, 1976 and 1975

	1976	1975
SOURCES OF WORKING CAPITAL		
From operations:		
Earnings (loss) from continuing operations	$ 95,000	$ (4,580,000)
Loss from discontinued operations		(735,000)
Items not (providing) or requiring outlay of working capital in the current year:		
Depreciation	715,000	936,000
Amortization of deferred expenses	42,000	74,000
Deferred income taxes	(47,000)	(399,000)
Reduction in carrying value of investments		363,000
Writedown of advances to and investments in foreign joint ventures		227,000
Other		20,000
Working capital provided from (used in) operations	805,000	(4,094,000)
Reduction of long-term investments		250,000
Net fixed assets sold or retired:		
Discontinued operations		747,000
Golconda Metals Division		960,000
Net fixed assets transferred to assets held for sale:		
Golconda Metals Division		1,249,000
Gauge assets		250,000
Total sources of working capital	805,000	(638,000)
USES OF WORKING CAPITAL		
Net additions to property, plant and equipment	478,000	456,000
Reduction of long-term debt	285,000	352,000
Preferred cash dividends	381,000	383,000
Repurchase of capital stock	77,000	
Sundry	142,000	17,000
Total uses of working capital	1,363,000	1,208,000
DECREASE IN WORKING CAPITAL	$ (558,000)	$ (1,846,000)

(continued)

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GOLCONDA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Years Ended December 31, 1976 and 1975

	1976	1975
INCREASES (DECREASES) IN ELEMENTS OF WORKING CAPITAL		
Cash and certificates of deposit	$ (2,903,000)	$ 1,199,000
Commercial paper	6,550,000	4,550,000
Notes and accounts receivable - net	(674,000)	(9,620,000)
Inventories	(1,560,000)	(6,743,000)
Income taxes	(160,000)	1,852,000
Prepaid expenses and sundry deposits	(146,000)	87,000
Investments held for sale	(250,000)	250,000
Net assets of businesses held for sale	(715,000)	(3,945,000)
Net increase (decrease) in current assets	142,000	(12,370,000)
Current maturities of long-term debt	9,000	9,000
Notes payable		(8,000,000)
Accounts payable	154,000	(82,000)
Income taxes		(2,556,000)
Accrued liabilities	537,000	105,000
Net increase (decrease) in current liabilities	700,000	(10,524,000)
DECREASE IN WORKING CAPITAL	$ (558,000)	$ (1,846,000)

The accompanying notes are an integral part of this statement.

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GOLCONDA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1976 and 1975

In the accompanying financial statements, alphabetic note references are to Notes to Consolidated Statements of Operations, Retained Earnings and Additional Contributed Capital included elsewhere herein.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Golconda is a subsidiary of Cerro-Marmon Corporation (Cerro Corporation prior to acquisition of Cerro by Cerro-Marmon on February 24, 1976).

CONSOLIDATION - All subsidiaries are consolidated and significant intercompany transactions have been eliminated.

INVENTORIES - Inventories are stated at the lower of cost (determined by the first-in, first-out method) or market. Inventories used in the computation of cost of goods sold are comprised of the following (in thousands):

	1976	1975	1974
Finished goods and work in process	$ 8,118	$ 9,134	$ 14,685
Raw materials and supplies	1,097	1,641	2,833
Total	$ 9,215	$ 10,775	$ 17,518

DEPRECIATION - For financial reporting purposes, Golconda computes depreciation principally on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives used in determining depreciation are as follows:

Description	Useful Lives
Buildings and improvements	5 to 50 years
Machinery, equipment and tools	2 to 20 years
Office furniture and fixtures	5 to 20 years

Maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost, the accumulated depreciation account is relieved of the depreciation taken prior to the sale and any resultant gain or loss is reflected in operations.

INCOME TAXES - Provision is made for deferred taxes which arise primarily from the use for tax purposes of accelerated depreciation methods and the installment sales method in 1975 for investment income. Deferred income tax debits arise from provisions not currently deductible for tax purposes, principally related to inventory and net assets of businesses held for sale. Available investment tax credits are accounted for under the "flowthrough" method. In 1976 the amount available was $42,000, but recapture amounted to $35,000, resulting in a net investment tax credit of $7,000. In 1975 the amount available was $46,000, but recapture amounted to $61,000, resulting

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in a net investment tax credit recapture of $15,000. The investment tax credit and the effect of the use of a Domestic International Sales Corporation resulted in Federal income tax provision (benefit) reductions of $13,000 and $25,000 in 1976 and 1975, respectively. Investment tax credits for 1974, 1973 and 1972 were $43,000, $149,000 and $22,000, respectively.

Effective June 3, 1974, Golconda was included in the consolidated Federal tax return of Cerro Corporation and since February 25, 1976 has been included in the consolidated Federal tax return of GL Corporation, the parent of Cerro-Marmon Corporation. Under the terms of Golconda's tax sharing agreement with its parent, Federal income taxes are computed as if Golconda and its subsidiaries continued to file a separate consolidated return and liabilities are remitted to, and benefits and refunds obtained from its parent on this basis. State income tax returns are filed on an individual company basis.

EXCESS OF COST OVER UNDERLYING EQUITY IN NET ASSETS ACQUIRED - The amount shown on the balance sheet arose prior to fiscal year 1971 and is not being amortized because, in the opinion of management, there has been no diminution of value.

PENSION PLANS - Unfunded past service costs are accrued and funded on a thirty-year basis; current costs are accrued and funded on a current basis.

Note 2: INVESTMENTS

At December 31, 1975, investments were comprised of the capital stock of mining companies as follows (in thousands):

	Balance	Quoted Market Price (a)
Alice Consolidated Mines, Inc. (54% owned) (4,308,020 shares)	$ 399	$ 819
Other	389	255
Write-down to estimated realizable value (b)	(538)	
	$ 250	$ 1,074

(a) The quoted market prices of the various stocks resulted from limited and very small share quantity transactions and management believes they were not representative for large block and controlling interest transactions.

(b) It was Golconda's intention to dispose of these investments, and accordingly, their carrying value was reduced to management's estimate of realizable value.

The primary asset of Alice Consolidated Mines, Inc. (Alice), 51% of Golconda's total mining stock investments, was 1,109 acres of mining properties which, until June 1975, had been undergoing exploration and development by

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another mining company under an agreement in which Golconda also participated. All exploration and development of these properties had ceased due to lack of sufficient mineralization to warrant further development effort. Management believed that the value of Alice had been permanently impaired by the cessation of such exploration and development.

In December, 1976 Golconda sold its investments in mining stocks and related assets for $175,000. (See Note C of Notes to Consolidated Statement of Operations).

Losses, before income taxes, from investments for the two years ended December 31, 1976 are summarized below (in thousands):

	1976	1975
Expenses, principally for administration of properties	$ 49	$ 71
Loss on sale of mining stocks and related assets	135	
Provision for decline in value of certain investments		363
Investment loss before income taxes	$ 184	$ 434

Note 3: LONG-TERM DEBT

Long-term debt at December 31, 1976 and 1975 is comprised of the following (in thousands):

	1976	1975
7% convertible subordinated debentures, due January 1, 1990	$ 3,976	$ 4,164
10% first mortgage note, payable in monthly installments of $28,975 including interest, final payment due April 1, 1990	2,543	2,631
	6,519	6,795
Less current maturities	98	89
	$ 6,421	$ 6,706

The net book value of the property subject to the mortgage at December 31, 1976 was $1,014,000.

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The aggregate amounts of long-term debt maturing in each of the five years subsequent to December 31, 1976 are as follows:

1977	$ 98,000
1978	108,000
1979	395,000
1980	457,000
1981	471,000

The 7% convertible subordinated debenture indenture agreement (dated January 1, 1970 for $5,000,000) contains certain covenants, which provide, among other things, that Golconda:

Will maintain consolidated net working capital of $10,000,000. At December 31, 1976, consolidated net working capital was $22,669,000.

Will not pay cash dividends or acquire for cash any shares of its stock in excess of $1,000,000 plus its cumulative consolidated net income after November 30, 1969. At December 31, 1976 retained earnings in the amount of $4,189,000 were free of such restrictions.

In connection with certain 7% subordinated notes (which were retired in 1974), Golconda has issued warrants entitling the holders thereof to purchase, at a price of $14.51 per share, 292,467 shares of Golconda's common stock. *These warrants expire January* 15, 1979.

The trust indenture underlying the convertible subordinated debentures provides, among other things, that the debentures are redeemable at Golconda's option at prices ranging from 103.5% in 1977 to 100% in 1984; that annual sinking fund payments of $325,000 are required beginning in 1976 (such payments can be reduced by the principal amount of debentures acquired by Golconda or converted into common stock, and as a result, all of the 1976, 1977, and 1978 installments and *$49,000 of* the 1979 installment have already been satisfied), that Golconda has an option to make additional annual payments of $325,000 without premium and that the debentures are convertible into shares of common stock at a conversion price of $10.67 per share (subject to non-dilution provisions).

Note 4: PENSION PLANS

Golconda has two pension plans covering substantially all employees. The charges to operations for the cost of the pension plans for the years ended December 31, 1976 and 1975 were $533,000 and $355,000, respectively.

At December 31, 1976, (based on the most recent actuarial study dated January 1, 1976) the unfunded past service cost relating to the above plans was $3,664,000 and the vested benefits exceed the total of the pension fund assets and balance sheet accruals by approximately $2,900,000.

Note 5: CAPITAL STOCK

Preferred stock consists of 932,151 authorized shares of $1.00 par value, of which 380,902 shares are issued and outstanding at December 31, 1976.

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The outstanding preferred stock is entitled to a preferential cumulative annual dividend at a rate of $1.00 per share. The shares are redeemable at Golconda's option at $37.50 per share plus unpaid cumulative dividends. The preferred stock has liquidation rights over the common stock in any final distribution and is entitled to one vote for each share held.

The outstanding preferred shares are convertible into common shares at the option of the holder at the rate of one and one-half shares of common stock for each preferred share held. This conversion rate is subject to non-dilution provisions.

Common stock consists of 7,500,000 authorized shares, without par value, of which 2,774,392 shares are outstanding. At December 31,1976 1,236,454 shares of authorized but unissued common shares have been reserved as follows: 571,353 shares upon conversion of preferred stock; 372,634 shares upon conversion of the 7% convertible subordinated debentures (Note 3); and 292,467 shares upon exercise of warrants for the purchase of common stock (Note 3). At December 31, 1976,and 1975, there were 82,718 shares and 71,250 shares, respectively, of common stock held in the treasury.

An analysis of the transactions during the year ended December 31, 1976 affecting preferred and common stock, additional contributed capital and treasury stock follows:

	Preferred Stock	Common Stock	Additional Contributed Capital	Treasury Stock
Balance - December 31, 1975	$ 383,157	$ 773,702	$ 5,673,539	$ (519,600)
Conversion of 177 shares of preferred stock into 265 shares of common stock	(177)	177		
Purchase of stock:				
Common, 11,468 shares				(48,979)
Preferred, 2,078 shares	(2,078)		(25,430)	
	$ 380,902	$ 773,879	$ 5,648,109	$ (568,579)

There was no activity during the year ended December 31, 1975.

Note 6: **NET ASSETS OF BUSINESSES HELD FOR SALE**

The December 31, 1975 balance consists principally of the property, plant and equipment of the Golconda Metals Division (See Note C - OTHER TERMINATIONS AND DISPOSALS).

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Note 7: CONTINGENT LIABILITIES

Golconda is one of 35 defendants in a class action by a shareholder of United States National Bank of San Diego (Bank), in Fred H. Harmsen, et al vs. C. Arnholt Smith, et al, filed on October 29, 1973, in the United States District Court for the Southern District of California. The plaintiff purports to be acting in a derivative capacity on behalf of the shareholders of the Bank. The complaint seeks damages and other relief on behalf of the shareholders of the Bank on account of alleged violations of federal securities laws, illegal loans, improper acts of the Bank's directors, and conspiracy to commit the foregoing acts and fraud.

In the opinion of management and general counsel, the exposure of Golconda to any liability seems very remote in that Golconda's only connections with the Bank or with C. A. Smith were that some of Golconda's stock was at one time possessed by one of the Smith-dominated corporations and that Golconda maintained small bank accounts for a short period of time at the Bank of sizes that were not material to either Golconda or the Bank. There have not been any material transactions between Golconda and the other defendants and the Bank, and it is management's opinion that there are no facts, nor have any been specifically alleged, relating to Golconda, warranting inclusion in the complaint. An identical class action suit was filed by the plaintiff in the Superior Court in and for the County of San Diego to toll the statute of limitations in the State Court, but to date this suit has not yet been formally served upon Golconda.

Golconda's Federal income tax liabilities have been settled through 1968. Management believes that adequate allowances have been established for all income tax liabilities relating to Golconda. As a member of the GL consolidated Federal income tax group and previously of the Cerro group (See Note 1), Golconda is contingently liable for federal income taxes attributable to other members of the respective groups.

Note 8: SUBSEQUENT EVENTS

In January 1977, Golconda entered into an informal investment agreement with Cerro-Marmon. Under the terms of the agreement, Cerro-Marmon will invest a portion of Golconda's excess funds through Cerro-Marmon's investment sources on behalf of and for the benefit of Golconda. Golconda is in the same position as if it were investing independently except that it receives the benefit of Cerro-Marmon's investment sources. On January 4, 1977, Golconda invested $5,000,000 under this agreement.

Beginning January 1, 1977 Golconda purchased a product liability insurance policy from an affiliated insurance company pursuant to which Golconda will, in effect, bear the cost of the first $200,000 of each claim and the next $400,000 of each claim (up to an aggregate of $900,000) on a retrospective basis. While management believes that it is unlikely to happen, a large number of claims for accidents which might occur in 1977 could have a material adverse effect on Golconda's financial position and results of operations.

LS 000136

GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE V

PROPERTY, PLANT AND EQUIPMENT

	Balance at beginning of period	Additions at cost	Deductions: Properties of discontinued operations	Deductions: Retirements and sales	Other changes	Balance at end of period
Year ended 12/31/76:						
Land	$ 598,000	$		$		$ 598,000
Buildings & improvements	2,947,000	57,000		(9,000)		2,995,000
Machinery, equipment & tools	7,089,000	423,000		(533,000)		6,979,000
Office furniture & fixtures	256,000	6,000		(12,000)		250,000
	$ 10,890,000	$ 486,000		$ (554,000)		$ 10,822,000
Year ended 12/31/75:						
Land	$ 839,000	$	$	$	$ (241,000)	$ 598,000
Buildings & improvements	3,396,000	132,000	(235,000)	(3,000)	(343,000)	2,947,000
Machinery, equipment & tools	12,356,000	354,000	(4,223,000)	(259,000)	(1,139,000)	7,089,000
Office furniture & fixtures	409,000	1,000	(50,000)	(103,000)	(1,000)	256,000
	$ 17,000,000	$ 487,000	$ (4,508,000)	$ (365,000)	$ (1,724,000)*	$ 10,890,000

* Transfer to net assets held for sale.

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GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE VI

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT & EQUIPMENT

	Balance at beginning of period	Additions charged to costs and expenses	Balance of discontinued operations	Retirements and sales	Other	Balance at end of period
Year ended 12/31/76:						
Buildings & improvements	$ 1,308,000	$ 143,000		$ (9,000)		$ 1,442,000
Machinery, equipment & tools	4,241,000	547,000		(525,000)		4,263,000
Office furniture & fixtures	131,000	25,000		(12,000)		144,000
	$ 5,680,000	$ 715,000		$ (546,000)		$ 5,849,000
Year ended 12/31/75:						
Buildings & improvements	$ 1,400,000	$ 125,000	$ (190,000)	$ (3,000)	$ (24,000)	$ 1,308,000
Machinery, equipment & tools	6,446,000	774,000	(2,565,000)	(234,000)	(180,000)	4,241,000
Office furniture & fixtures	238,000	37,000	(46,000)	(97,000)	(1,000)	131,000
	$ 8,084,000	$ 936,000	$ (2,801,000)	$ (334,000)	$ (205,000)*	$ 5,680,000

*Transfer to net assets held for sale.

LS 000138

GOLCONDA CORPORATION & SUBSIDIARIES

SCHEDULE XII

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Continuing operations	Balance at beginning of period	Charged to costs and expenses	Deductions	Balance end of period
Allowance for doubtful receivables:				
Year ended 12/31/76	$ 291,000	$ 42,000	$ (203,000)(1)	$ 130,000
Year ended 12/31/75	$ 256,000	$ 322,000	$ (287,000)(1)	$ 291,000
Inventory valuation reserve:				
Year ended 12/31/76	$1,650,000	$1,395,000	$(2,055,000)(2)	$ 990,000
Year ended 12/31/75	$ 900,000	$1,260,000	$ (510,000)(2)	$1,650,000
Reserve for decline in market value of investments:				
Year ended 12/31/76	$	$	$	$
Year ended 12/31/75	$ 175,000	$	$ (175,000)(3)	$
Discontinued operations				
Allowance for doubtful receivables:				
Year ended 12/31/76	$	$	$	[redacted]
Year ended 12/31/75	$ 98,000	$	$ (98,000)(4)	[redacted]

(1) Write-off of uncollectible accounts net of recoveries.
(2) Disposals of obsolete inventory.
(3) Included as part of the write-down to net realizable value in 1975.
(4) Included with assets of divisions sold.

LS 000139

Golc - CDA dm - 0137

GOLCONDA CORPORATION AND SUBSIDIARIES

SCHEDULE XVI

SUPPLEMENTARY INCOME STATEMENT INFORMATION

	Year ended 12/31/76	Year ended 12/31/75
Continuing operations:		
Maintenance & repairs	$ 660,000	$ 528,000
Depreciation of property, plant and equipment	$ 715,000	$ 936,000
Taxes other than income taxes:		
Real estate & personal property	$ 251,000	$ 250,000
Payroll	609,000	425,000
Sundry	31,000	14,000
Total taxes	$ 891,000	$ 689,000
Rents	$ 298,000	$ 273,000

[redacted]

LS 000140

Golc - CDA dm - 0138

PART II

Part II will not be filed at this time pursuant to General Instruction H which permits omission if a definitive proxy statement is filed not later than 120 days after the close of the year.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Golconda Corporation has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLCONDA CORPORATION

DAVID R. NOMURA
by: David R. Nomura
Treasurer

DATE: March 30, 1977

EXHIBIT I

GOLCONDA CORPORATION AND SUBSIDIARIES
CALCULATION OF EARNINGS PER SHARE
(In Thousands)

	1976	1975	1974(A)	1973	1972
Shares for computations:					
Weighted average shares outstanding	2,781	2,785	2,785	2,785	2,785
Common stock equivalents (B):					
Assumed conversion of convertible preferred stock into common (C)			575	580	
Common shares for primary income per share	2,781	2,785	3,360	3,365	2,785
Assumed conversion of convertible preferred stock into common (C)					585
Assumed conversion of 7% convertible subordinated debentures under if converted method (D)			416	428	439
Common shares for fully diluted income per share	2,781	2,785	3,776	3,793	3,809
Net income for computations:					
Income (loss) from continuing operations:					
Manufacturing	$ 191	$(2,767)	$ 455	$ 1,970	$ 1,484
Investments	(96)	(1,813)	7,021	1,183	341
	95	(4,580)	7,476	3,153	1,825
Income (loss) of discontinued operations		(735)	(1,915)	48	(119)
Income (loss) before preferred dividend requirement	95	(5,315)	5,561	3,201	1,706
Less preferred dividend requirement (C)	(381)	(383)			[redacted]
Net income (loss) for primary earnings per share	(286)	(5,698)	5,561	3,201	1,307
Plus preferred dividend requirement (C)					399
Add interest savings, net of applicable income taxes:					
7% convertible debentures (D)			184	185	197
Net income (loss) for fully diluted income per share	$ (286)	$(5,698)	$ 5,745	$ 3,386	$ 1,903

(See notes on next page)

LS 000142

Golc - CDA dm - 0140

(A) Reference is made to Note A of Notes to Consolidated Statement of Operations.

(B) Yield of the 7% convertible debenture exceeded 66-2/3% of prime rate at date of issue, and therefore is not a common stock equivalent.

(C) Anti-dilutive in 1976, 1975 and 1972. Dilutive, and therefore included in shares for primary income computation, in 1974 and 1973.

(D) Anti-dilutive in 1976 and 1975.

[redacted]

LS 000143

Item 1.07 Issuance and Redemption of Securities (Sections 22(g) and 23).

(a) Pursuant to a statutory merger of Astro Controls, Inc. into the registrant on September 15, 1970 the following exchanges of securities occurred:

Golconda common stock for Astro common stock,
1-1/2 for 1 exchange ratio
853,675-1/2 shares issued

Golconda preferred stock for Astro preferred
stock, 1 for 1 exchange ratio
449,956 shares issued

Pursuant to the terms of the convertible preferred stock, 150 shares of common were issued for 100 shares of convertible preferred stock on November 5, 1970.

(b) The above transactions were exempt from registration under Rule 133 under the Securities Act of 1933 and Section 3(a)(9) of the Securities Act of 1933. Facts relating to the merger and conversion terms of the preferred stock are contained in a joint proxy statement dated June 30, 1970 previously filed and hereby incorporated by reference.

(c),(d) and (e) None

Item 1.08 Persons in Control Relationship with Registrant (Section 2(a)(g))

The Registrant disclaims that any persons directly or indirectly control, are controlled by, or are under common control with, the Registrant within the meaning of the Investment Company Act of 1940, except for the following companies controlled by the Registrant:

Name of Controlled Company	State of Incorporation	Percentage of voting securities owned by the Registrant
Golconda Area Companies:		
Alice Consolidated Mines, Inc.	Idaho	53.66%
Bell Mining Company	Idaho	40.64%
Black Bear Mines Company	Idaho	68.73%
Granada Lead Mines, Inc.	Idaho	30.22%
Great Eastern Mining Company, Ltd.	Idaho	12.83%
Ivanhoe Mining Company, Limited	Idaho	23.93%
Mullan Metals, Inc.	Idaho	42.65%
Square Deal Mining & Milling Co., Ltd.	Idaho	54.33%
Bullion Mining Company	Idaho	31.24%
Wallace Mining Company	Idaho	52.19%

The Registrant does not file financial statements for its four subsidi[illegible] considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

Further, the Registrant owns 11.45% of the outstanding shares of Common Stock of Hecla Mining Company.

LS 000151

Item 1.09 Persons Owning Equity Securities of Registrant.

	Name and Address	Title of Class	Type of Ownership	Amount Owned	Percent of Class
(a)	First Greystone Associates, Kansas City, Missouri	Common stock, no par	Record & Beneficial	273,750	9.82%
(b)	First Greystone Associates, Kansas City, Missouri	Warrants($20) - common	Record & Beneficial	67,500	57.14%
	A.D. Martin Dallas, Texas	Warrants($20) - common	Record & Beneficial	15,750	13.33%
	State Mutual Life Assurance Co. of America Worcester, Massachusetts	Warrants($14.51) - common	Record & Beneficial	233,974	80.00%
	Hanover Insurance Company, New York, N. Y.	Warrants($14.51) - common	Record & Beneficial	43,870	15%
	L. N. Lucas Winnetka, Illinois	Stock Option - common	Record	834	19.13%
	J.M. Stogin Wilmette, Illinois	Stock Option - common	Record	1,750	40.14%
(c)	All Officers and Directors as a Group	Common stock, no par	Record & Beneficial	78,413	2.81%
			Beneficial	68,959	2.47%
		$1.00 Cumulative Convertible Preferred Stock	Record & Beneficial	9,300	2.07%
			Beneficial	659	0.02%
		Warrants($20) - common	Record & Beneficial	22,455	19.01%
			Beneficial	13,295-1/2	11.26%
		7% Convertible Subordinated Debentures	Record & Beneficial	$96,000	1.94%
			Beneficial	$20,000	0.40%
		Stock Options - common	Record & Beneficial	3,002	68.85%

LS 000152

Item 1.10 Number of Holders of Equity Securities.

Title of Class	Number of Holders
$1.00 Cumulative Convertible Preferred Stock - $1.00 par value	1,662
Common Stock - no par value	4,124
7% Convertible Subordinated Debentures due January 1, 1990	762
Warrants expiring August 27, 1971	18
Warrants expiring January 15, 1979	4
Options on preferred stock	6

Item 1.11 Directors, Officers, Members of Advisory Board, and Certain Employees and Legal Counsel.

(a)

Name and Address	Positions and Offices with Registrant	Dates of Service with Registrant in each capacity during fiscal year	Principal Occupations during past five years	Social Security Numbers (1A)
Directors & Officers				
Daniel L. Brenner, Kansas City, Missouri	Director	9/15 to 11/30/70	Attorney, Brenner, Lockwood & O'Neal	487-44-3233
M. J. Coen, Kansas City, Missouri	Chairman of the Board of Directors and President	9/15 to 11/30/70	President, Midland Securities Co., Inc.	500-07-4308
Michael F. Drinkhouse New York, New York	Director	9/15 to 11/30/70	Restaurateur and Investor	064-03-5527
R. M. Dunn, Mountain Home, Arkansas	Director	9/15 to 11/30/70	Senior Vice President, Trans World Airlines to July, 1969	208-03-8520
George B. Howell, Chicago, Illinois	Executive Vice President and Chief Executive and Operating Officer	9/15 to 11/30/70	Vice President, Interlake, Inc. to September, 1970; Executive Vice President of Registrant since September 15, 1970	132-22-2028
C.T. Johnson, Grand Haven, Michigan	Vice President	9/15 to 11/30/70	Vice President, The Bastian-Blessing Company to May, 1969; Vice President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	321-07-8233

LS 000154

Golc - CDA dm - 0145

Item 1.11 (a) Continued.

Albert S. Kepen, Chicago, Illinois	Vice Chairman of Board of Directors	9/15 to 11/30/70	President, Pioneer Astro Industries to May, 1969; Vice Chairman, Astro Controls, Inc. to September,1970; Vice Chairman of Registrant since September 15, 1970	317-05-9564
Robert P. Kepen, Chicago, Illinois	Vice President	9/15 to 11/30/70	Executive Vice President, Pioneer Astro Industries, Inc. to May, 1969; Vice President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	313-24-5695
L. N. Lucas, Chicago, Illinois	Vice President Director	9/15 to 11/30/70	Executive Vice President,The Bastian-Blessing Company to March, 19 67; President, The Bastian-Blessing Company to May, 1969; President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	283-10-9205
A.D. Martin, Dallas, Texas	Director	9/15 to 11/30/70	Financier and Investor	456-99-7601
R.S. Sloma, Chicago, Illinois	Vice President	9/15 to 11/30/70	Vice President Gen. Mgr., ITT Abrasive Products Co. to May, 1970; Vice President Gen. Mgr. RegO Division of Astro Controls,Inc. to September,1970; Vice President Gen. Mgr. RegO Division of Registrant since September 15,1970	322-24-7550

LS 000155

Item 1.11 (a) Continued.

Gordon Paul Smith, San Francisco, Calif.	Director	9/15 to 11/30/70	Vice President, Booz Allen & Hamilton, Inc. to October, 1970; President, Gordon Paul Smith & Co. since November, 1970	016-07-7067
J.M. Stogin, Chicago, Illinois	Vice President	9/15 to 11/30/70	Controller, The Bastian-Blessing Company to November, 1966; Vice President, The Bastian-Blessing Company to May, 1969; Vice President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	347-24-1476
E.C. Swiatlo, Chicago, Illinois	Controller, Assistant Secretary and Assistant Treasurer	9/15 to 11/30/70	Treasurer, Szabo Food Service, Inc. to September, 1967; Certified Public Accountant to March, 1969; Divisional Controller, Crowell-Collier & Macmillan to June, 1969; Controller, Astro Controls, Inc. to September, 1970; Controller of Registrant since September 15, 1970	360-20-5151
Albert W. Thomson, Kansas City, Missouri	First Vice President, Secretary and Director	9/15 to 11/30/70	Attorney, Linde, Thomson, Van Dyke, Fairchild & Langworthy	500-14-3124
Edwin B. Wright, St. Joseph, Missouri	Treasurer and Director	9/15 to 11/30/70	President, The Drovers and Merchants Bank	495-09-0141

LS 000156

Item 1.11 (a) Continued.

Wray Featherstone, Wallace, Idaho	President	12/1/69 to 9/15/70	President of Golconda Mining Corporation (Parent) to September 15, 1970; President of Golconda Mining Corporation (Subsidiary) since Sept.15, 1970.	519-01-4218
	Vice President	9/15 to 11/30/70		
	Director	Entire year		
D. L. Hess Wallace, Idaho	Secretary & Treasurer	12/1/69 to 9/15/70	Certified Public Accountant; Secretary and Treasurer of Golconda Mining to Sept. 15, 1970, Asst. Secretary and Asst. Treasurer since September 15, 1970	517-26-0587
	Asst. Secretary & Asst. Treasurer	9/15 to 11/30/70		
Herbert F. Korholz Washington, D.C.	Director	12/1/69 to 9/15/70	Chairman of the Board of Susquehanna Corporation to 1967; President and Chairman of the Executive Committee of Susquehanna since December 4, 1967 and Chief Executive Officer of Susquehanna since May, 1970.	186-03-5010
Walter L. Sly Spokane, Washington	Director	Entire year	Retired general contractor; Vice President Golconda Mining Corporation to September 15, 1970.	536-05-2769
Norman M. Smith Kellogg, Idaho	Director	Entire year	Vice President and General Manager of Clayton Silver Mines	518-05-4073
Kenneth L. Teel San Clemente, California	Director	5/12/70 to 11/30/70	President of Crestlite, Incorporated	417-36-5231
Carl L. Turner Spokane, Washington	Director	12/1/69 to 3/17/70	Vice President of Johnson-Turner Co. (fuel distributors)	536-10-0330

LS 000157

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Bullion Mining Company	Idaho	31.24%
Wallace Mining Company	Idaho	52.19%

The Registrant does not file financial statements for its four subsidi[illegible] [illegible] . [illegible]sidered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

Further, the Registrant owns 11.45% of the outstanding shares of Common Stock of Hecla Mining Company.

LS 000151

Golc - CDA dm - 0149

Item 1.09 Persons Owning Equity Securities of Registrant.

	Name and Address	Title of Class	Type of Ownership	Amount Owned	Percent of Class
(a)	First Greystone Associates, Kansas City, Missouri	Common stock, no par	Record & Beneficial	273,750	9.82%
(b)	First Greystone Associates, Kansas City, Missouri	Warrants($20) - common	Record & Beneficial	67,500	57.14%
	A.D. Martin Dallas, Texas	Warrants($20) - common	Record & Beneficial	15,750	13.33%
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	Hanover Insurance Company, New York, N. Y.	Warrants($14.51) - common	Record & Beneficial	43,870	15%
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	J.M. Stogin Wilmette, Illinois	Stock Option - common	Record	1,750	40.14%
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		$1.00 Cumulative Convertible Preferred Stock	Record & Beneficial	9,300	2.07%
			Beneficial	659	0.02%
		Warrants($20) - common	Record & Beneficial	22,455	19.01%
			Beneficial	13,295-1/2	11.26%
		7% Convertible Subordinated Debentures	Record & Beneficial	$96,000	1.94%
			Beneficial	$20,000	0.40%
		Stock Options - common	Record & Beneficial	3,002	68.85%

LS 000152

Item 1.10 Number of Holders of Equity Securities.

Title of Class	Number of Holders
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Common Stock - no par value	4,124
7% Convertible Subordinated Debentures due January 1, 1990	762
Warrants expiring August 27, 1971	18
Warrants expiring January 15, 1979	4
Options on preferred stock	6

LS 000153

Item 1.11 Directors, Officers, Members of Advisory Board, and Certain Employees and Legal Counsel.

(a)

Name and Address	Positions and Offices with Registrant	Dates of Service with Registrant in each capacity during fiscal year	Principal Occupations during past five years	Social Security Numbers (1A)
Directors & Officers				
Daniel L. Brenner, Kansas City, Missouri	Director	9/15 to 11/30/70	Attorney, Brenner, Lockwood & O'Neal	487-44-3233
M. J. Coen, Kansas City, Missouri	Chairman of the Board of Directors and President	9/15 to 11/30/70	President, Midland Securities Co., Inc.	500-07-4308
Michael F. Drinkhouse New York, New York	Director	9/15 to 11/30/70	Restaurateur and Investor	064-03-5527
R. M. Dunn, Mountain Home, Arkansas	Director	9/15 to 11/30/70	Senior Vice President, Trans World Airlines to July, 1969	208-03-8520
George B. Howell, Chicago, Illinois	Executive Vice President and Chief Executive and Operating Officer	9/15 to 11/30/70	Vice President, Interlake, Inc. to September, 1970; Executive Vice President of Registrant since September 15, 1970	132-22-2028
C.T. Johnson, Grand Haven, Michigan	Vice President	9/15 to 11/30/70	Vice President, The Bastian-Blessing Company to May, 1969; Vice President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	321-07-8233

LS 000154

Golc - CDA dm - 0152

Item 1.11 (a) Continued.

Albert S. Kepen, Chicago, Illinois	Vice Chairman of Board of Directors	9/15 to 11/30/70	President, Pioneer Astro Industries to May, 1969; Vice Chairman, Astro Controls, Inc. to September,1970; Vice Chairman of Registrant since September 15, 1970	317-05-9564
Robert P. Kepen, Chicago, Illinois	Vice President	9/15 to 11/30/70	Executive Vice President, Pioneer Astro Industries, Inc. to May, 1969; Vice President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	313-24-5695
L. N. Lucas, Chicago, Illinois	Vice President Director	9/15 to 11/30/70	Executive Vice President, The Bastian-Blessing Company to March, 1967; President, The Bastian-Blessing Company to May, 1969; President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	283-10-9205
A.D. Martin, Dallas, Texas	Director	9/15 to 11/30/70	Financier and Investor	456-99-7601
R.S. Sloma, Chicago, Illinois	Vice President	9/15 to 11/30/70	Vice President Gen. Mgr., ITT Abrasive Products Co. to May, 1970; Vice President Gen. Mgr. RegO Division of Astro Controls,Inc. to September,1970; Vice President Gen. Mgr. RegO Division of Registrant since September 15,1970	322-24-7550

LS 000155

Item 1.11 (a) Continued.

Gordon Paul Smith, San Francisco, Calif.	Director	9/15 to 11/30/70	Vice President, Booz Allen & Hamilton, Inc. to October, 1970; President, Gordon Paul Smith & Co. since November, 1970	016-07-7067
J.M. Stogin, Chicago, Illinois	Vice President	9/15 to 11/30/70	Controller, The Bastian-Blessing Company to November, 1966; Vice President, The Bastian-Blessing Company to May,1969; Vice President, Astro Controls, Inc. to September, 1970; Vice President of Registrant since September 15, 1970	347-24-1476
E.C. Swiatlo, Chicago, Illinois	Controller, Assistant Secretary and Assistant Treasurer	9/15 to 11/30/70	Treasurer, Szabo Food Service, Inc. to September, 1967; Certified Public Accountant to March, 1969; Divisional Controller, Crowell-Collier & Macmillan to June, 1969; Controller, Astro Controls,Inc. to September, 1970; Controller of Registrant since September 15, 1970	360-20-5151
Albert W. Thomson, Kansas City, Missouri	First Vice President, Secretary and Director	9/15 to 11/30/70	Attorney, Linde, Thomson, Van Dyke, Fairchild & Langworthy	500-14-3124
Edwin B. Wright, St. Joseph, Missouri	Treasurer and Director	9/15 to 11/30/70	President, The Drovers and Merchants Bank	495-09-0141

LS 000156

Item 1.11 (a) Continued.

Wray Featherstone, Wallace, Idaho	President	12/1/69 to 9/15/70	President of Golconda Mining Corporation (Parent) to September 15, 1970; President of Golconda Mining Corporation (Subsidiary) since Sept.15, 1970.	519-01-4218
	Vice President	9/15 to 11/30/70		
	Director	Entire year		
D. L. Hess Wallace, Idaho	Secretary & Treasurer	12/1/69 to 9/15/70	Certified Public Accountant; Secretary and Treasurer of Golconda Mining to Sept. 15, 1970, Asst. Secretary and Asst. Treasurer since September 15, 1970	517-26-0587
	Asst. Secretary & Asst. Treasurer	9/15 to 11/30/70		
Herbert F. Korholz Washington, D.C.	Director	12/1/69 to 9/15/70	Chairman of the Board of Susquehanna Corporation to 1967; President and Chairman of the Executive Committee of Susquehanna since December 4, 1967 and Chief Executive Officer of Susquehanna since May, 1970.	186-03-5010
Walter L. Sly Spokane, Washington	Director	Entire year	Retired general contractor; Vice President Golconda Mining Corporation to September 15, 1970.	536-05-2769
Norman M. Smith Kellogg, Idaho	Director	Entire year	Vice President and General Manager of Clayton Silver Mines	518-05-4073
Kenneth L. Teel San Clemente, California	Director	5/12/70 to 11/30/70	President of Crestlite, Incorporated	417-36-5231
Carl L. Turner Spokane, Washington	Director	12/1/69 to 3/17/70	Vice President of Johnson-Turner Co. (fuel distributors)	536-10-0330

LS 000157

Item 1.11 (a) Continued.

Members of Advisory Board

None

Employees

None

Regular Legal Counsel

None

Column 5. The Company is not associated with any other investment company.

Column 6. The Company does not have an investment advisor.

Column 7. The Company does not have an underwriter.

Column 8. The Company does not have a regular broker.

Item 1.11 (b) Not applicable. None of the individuals in (a) above were investment bankers or affiliated persons of any investment banker during the fiscal year.

Item 1.11 (c) None

Item 1.12 Remuneration of Directors, Officers, and Members of Advisory Board.

Name of Individual or Identity of Group	Capacities in which Remuneration was Received	Name of Each Person from whom Remuneration was Received by Individual or Group	Amount of Remuneration Received by Individual or Group from each Person	Bonus*	Estimated Annual Benefits to Individual upon Retirement Under Each Plan (A)
M. J. Coen	Chairman of the Board, Chairman of the Executive Committee and President	Registrant	33,125	(D)	6,690
Albert S. Kepen	Vice Chairman	Registrant	65,000	(B)(D)	-
L. N. Lucas	Vice President and Director	Registrant	60,000(C)	(D)(E)	23,890
Robert P. Kepen	Vice President, Pioneer Astro Div.	Registrant	41,708	(D)	-
Directors and Officers as a group	Directors and Officers	Registrant	378,515	(B)(D)(E)	90,197

* Amounts shown hereunder are in addition to the amounts set forth in the column for "Amount of Remuneration Received by Individual or Group from each Person".

(A) Under the "Retirement Plan for Salaried Employees" the normal retirement benefit at age sixty-five is determined in accordance with a formula which includes average compensation, length of service and Social Security benefits.

LS 000159

Golc - CDA dm - 0157

Item 1.12 Continued.

(B) Under an agreement with Albert S. Kepen dated April 28, 1967, the Company is required to contribute annually to a deferred compensation account an amount equal to 5% of net earnings (computed before taxes and before contribution to the Employee's Contributory Profit Sharing Plan) of the Pioneer Astro Division. No amounts were credited to this account for fiscal 1970. The total amount standing in the account at November 30, 1970 was $44,654. As amended, February 10, 1971, Albert S. Kepen may elect to have other compensation credited and paid under this agreement. Payments are payable upon retirement or death to Albert S. Kepen or his beneficiary in not less than three equal annual installments. Upon retirement or termination, Albert S. Kepen is obligated to act as a consultant for life and will not act in a similar capacity for any business enterprise which competes in a substantial degree with the Pioneer Astro Division and will not engage in any activity involving substantial competition with that division.

(C) By written agreement, dated December 1, 1968, the Company is obligated to employ Mr. L.N. Lucas for a period of three years at a salary of not less than $60,000 per year. In the event of termination of employment he is entitled to severance pay equal to $60,000 per year from the date of termination to and including November 30, 1971. In the event of his death or total disability during the term of the agreement, he, or his designate, is entitled to receive $30,000 per year from said date to November 30, 1971, except that this payment shall be reduced by the amounts received under certain benefit plans. Payments under the agreement are in addition to benefits Mr. Lucas may be entitled to under the "Executive Incentive Bonus Plan", the "Retirement Plan for Salaried Employees" and the "Qualified Stock Option Plan".

(D) On March 24, 1970, the Astro Board of Directors adopted and put into effect, for fiscal 1970 only, an "Executive Incentive Bonus Plan". The payments made under this plan were based upon individual achievement of profit goals for the entire year. The plan generally provided for partial bonuses to be paid when approximately 75% of the goal was achieved with full participation occurring at the 100% achievement level and additional participation if achievement exceeded 100% up to a maximum of 125%. The individual rates vary on a sliding scale from 2% to 25% of base salary depending upon job responsibility and achievement of goals and could reach as much as 50% in certain cases where achievement was 125% or greater. The aggregate amount, based upon earnings for fiscal 1970 was $118,287, including the amounts attributable to the persons indicated in the table below.

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Name	Amount Under "Executive Incentive Bonus Plan"
M. J. Coen	$ 6,691
Albert S. Kepen	13,130
L. N. Lucas	12,120
Robert P. Kepen	5,000
Directors and Officers as a group	61,950

(E) A discretionary bonus was paid to employee's in April, 1970. L.N. Lucas received $6,300 thereunder and total payments to Officers as a group amounted to $9,030.

Item 1.13 Remuneration of Certain Other Affiliated Persons.

Name of Person		Capacities in which Services were Rendered	Aggregate Remuneration
(a)	Not applicable		
(b)	Linde, Thomson, Van Dyke, Fairchild & Langworthy (Mr. Albert W. Thomson, an officer and director of the Registrant, is a partner in that firm).	Legal Fees and Expenses	$74,689
	Brenner, Lockwood & O'Neal (Mr. Daniel L. Brenner, a director of the Registrant, is a partner in that firm).	Legal Fees and Expenses	$33,061

Item 1.14 Indemnification of Directors and Officers (Section 17(h)).

Article VI of the By-Laws provides for "Indemnification of Officers and Directors".

Directors and Officers are insured and indemnified against any claim(s) made against them, jointly or severally, for loss caused by any negligent act, any error, any omission, or any breach of duty while acting in their capacity as Director or Officer. The policies do not apply to: claims for libel or slander; for claims under Section 16(b) of the Securities Exchange Act of 1934; for improper compensation; for personal profit, for advantages to which the party was not legally entitled; or for claims brought about or contributed to by the dishonesty of the party.

Item 1.15 Employees of Registrant.

(a)

	Class of Employees	Number of full-time employees	Number of part-time employees
(1)	Of the registrant		
	Executive and research (officers)	11	2
	All other employees	1,746	0
(2)	Of a Section 2(a)(19)(iii)-type company (state name)		
	Executive and research	Not applicable	Not applicable
	All other employees	Not applicable	Not applicable

(b) Not applicable.

Item 1.16 Custody of Securities and Similar Investments (Section 17(f)).

(a) Not applicable

(b) Not applicable

(c) Securities are maintained in custody of registrant and are deposited in the Idaho First National Bank, Wallace, Idaho for safekeeping, except 594,850 shares of Hecla Mining Company stock which are pledged as collateral on notes payable to banks.

(d) Not applicable

LS 000161

Item 1.17 Fidelity Bond (Section 17(g)).

The Aetna Casualty and Surety Company

Bond No. 55 BY 66

$50,000 coverage - Commercial Blanket Bond in effect entire year.

Item 1.18 Investment Advisers (Section 15(a)).

(a) Not applicable

(b) Not applicable

Item 1.19 Entry into or renewal of Investment Advisory Contract (Sections 15(a) and 15(c)).

Not applicable

Item 1.20 Business and Other Connections of Management and of Investment Adviser.

See Item 1.11 (a) above.

Item 1.21 Personnel of Investment Adviser.

Not applicable

Item 1.22 Services Provided by Investment Adviser.

Not applicable

Item 1.23 Administrative and Other Services.

(a) H. F. Magnuson and Company

(b) Accounting, general office services and stock transfer services.

(c) The amount of compensation paid for above services by registrant for the fiscal year ended November 30, 1970 was $56,325.

Item 1.24 Other Persons Furnishing Investment Advice.

None

Item 1.25 Portfolio Turnover Rates.

(a)

For the Year Ended	Turn-over Rate	Dollar Amount of Purchases of Portfolio Securities	Dollar Amount of Sales of Portfolio Securities	Dollar Amount o Average Monthly Portfolio Securities
November 30, 1970	2.19%	-	$462,057	$21,085,211
December 31, 1969	.21%	$1,008,342	48,626	22,561,727
December 31, 1968	1.29%	462,125	350,623	27,094,662

(b)

November 30, 1970	2.19%	-	$462,057	$21,085,211
December 31, 1969	.21	$1,008.342	48,626	22,561,727
December 31, 1968	1.29%	462,125	350,623	27,094,662

Item 1.26 Purchases of Securities on Margin; Joint Trading; Short Sales.

Not applicable

Item 1.27 Holdings of "Restricted Securities" Other Than Straight Debt Securities.

During the year Registrant acquired 4,308,020 shares of Alice Consolidated Mines, Inc. in exchange for its holdings of Alice Silver-Lead Mining Co., United Lead-Zinc Mines Company and Mullan Silver-Lead Mines Company. The shares of Alice Consolidated were taken under an "Investment Letter" which has been filed with the Securities and Exchange Commission.

Item 1.28 Purchases of Portfolio Securities Shortly Prior to Ex-Dividend Dates.

Registrant did not follow a practice during the fiscal year of purchasing portfolio securities shortly prior to the ex-dividend date.

Item 1.29 Monthly Sales of Registrant's Shares; Dividends, Capital Gains [illegible] Distributions.

(a)

Month	Total number of shares sold	Distributions Per Share: Dividends from net income Amount	Record Date	Capital gains Amount	Record Date	Other Amount	Record Date
Not applicable		$.06	6/15/70	-	-	-	-
Not applicable		$.06	12/15/70	-	-	-	-

(b) Not applicable

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Item 1.30 Solicitation of Proxies (Section 20(a)).

(a) May 12, 1970 (regular) and August 12, 1970 (special) adjourned to September 4, 1970.

(b) Proxies were solicited by the management of the Registrant.

(c) Definitive proxy material was filed with the Commission with respect to such solicitation on July 6, 1970 (mailing date).

Item 1.31 Practice Regarding Participation by Brokers and Dealers in Commissions or Other Compensation Paid on Portfolio Transactions of Registrant.

(a) Not applicable

(b) Not applicable

Item 1.32 Interests of Certain Persons in Investment Adviser, Principal Underwriter or Certain Brokers and Dealers; Commissions Paid to Certain Brokers and Dealers.

(a) Not applicable

(b) Not applicable

(c) Not applicable

(d) Not applicable

Item 1.33 Policy with Respect to Trading in Securities by Certain Affiliated Persons of Registrant or of Investment Adviser.

(a) Registrant has no established code of ethics pertaining to trading in securities by its directors, officers or employees.

(b) Not applicable

Items 1.34 through 1.38 Apply Only to Open-End Companies.

Item 1.39 Financial Statements and Exhibits.

(a) Financial Statements - See index to Financial Statements and Schedules - Page F-2

(b) Exhibits -

1. EDP Attachment for Form N-1R of Registered Closed-End Management Investment Company, for the fiscal year ended November 30, 1970

2. Calculation of Earnings Per Share, November 30, 1970

3. Joint Proxy Statement of Golconda Mining Corporation and Astro Controls, Inc. dated June 30, 1970

S I G N A T U R E

This Part I of the registrant's report on Form N-1R has been submitted to each member of the board of directors of the registrant, and, pursuant to the requirements of the Investment Company Act of 1940, the undersigned registrant has caused this Part I to be signed on its behalf in the City of Chicago and State of Illinois on the 12th day of May, 1971.

GOLCONDA CORPORATION
(formerly Golconda Mining
Corporation)

By J M S
J. M. Stogin
Vice President

Witness: E. C. Swiatlo
E. C. Swiatlo
Assistant Secretary

LS 000165

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GOLCONDA CORPORATION AND SUBSIDIARIES

FINANCIAL STATEMENTS
FOR INCLUSION IN FORM N-1R
ANNUAL REPORT FILED WITH
SECURITIES AND EXCHANGE COMMISSION

November 30, 1970

LS 000166

Golconda Corporation and Subsidiaries

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

November 30, 1970

Schedules I, II, IV, VII, VIII, X, XI, XV and XVII are omitted as either not applicable or not required.

The individual financial statements of the company are omitted because consolidated financial statements are filed and because the Registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements are totally-held subsidiaries.

LS 000167

AUDITORS' REPORT

Board of Directors and Stockholders
Golconda Corporation

We have examined the consolidated balance sheet of Golconda Corporation and Subsidiaries as of November 30, 1970, and the related statements of operations and stockholders' equity for the year then ended (note 1). Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of operations and stockholders' equity present fairly the financial position of Golconda Corporation and Subsidiaries as of November 30, 1970, and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

We have also examined the supporting schedules included in this report, and in our opinion these schedules present fairly the information required to be set forth therein.

Alexander Grant & Company
ALEXANDER GRANT & COMPANY
Certified Public Accountants

Chicago, Illinois
January 18, 1971

LS 000168

Golconda Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEET

November 30, 1970

ASSETS

CURRENT ASSETS		
Cash		$ 1,583,454
Marketable securities - at cost plus accrued interest, which approximates market		1,061,310
Notes and accounts receivable, less allowance for uncollectible receivables of $53,000 (Schedule XII)		8,883,940
Inventories (note 2)		12,914,944
Prepaid expenses and sundry deposits		140,957
Total current assets		24,584,605
INVESTMENTS - AT COST (approximate market $19,824,995) (note 3 and Schedule III)		4,925,848
PROPERTY, PLANT AND EQUIPMENT - AT COST (less accumulated amortization, depletion and depreciation of $8,735,008) (note 4 and Schedules V and VI)		6,018,026
OTHER ASSETS		
Excess of cost over underlying equity of net assets acquired (not subject to amortization)	$4,374,476	
Notes receivable, less current portion of $413,678	1,081,322	
Deferred debt expense - net of amortization on the bonds outstanding method	852,867	
Cash surrender value of life insurance	256,189	
Sundry	153,551	6,718,405
		$42,246,884

The accompanying notes are an integral part of this statement.

LS 000169

Golc - CDA dm - 0167

Golconda Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEET

November 30, 1970

LIABILITIES

CURRENT LIABILITIES		
Current maturities of long-term debt		$ 602,936
Notes payable - bank (note 3)		2,330,000
Accounts payable		2,392,848
Dividends payable		210,031
Income taxes		191,017
Accrued liabilities		1,276,241
Total current liabilities		7,003,073
LONG-TERM DEBT (note 5 and Schedule IX)		13,320,533
DEFERRED LIABILITIES		530,367
COMMITMENTS AND CONTINGENCIES (note 6)		-
STOCKHOLDERS' EQUITY (notes 8 and 9 and Schedules XIII and XIV)		
Capital		
Preferred	$ 449,856	
Common	769,217	
Additional contributed capital	6,532,185	
Retained earnings	14,127,253	
	21,878,511	
Less treasury stock - at cost	485,600	21,392,911
		$42,246,884

LS 000170

Golconda Corporation and Subsidiaries

CONSOLIDATED STATEMENT OF OPERATIONS

Year ended November 30, 1970

Net sales		$45,864,833
Cost of goods sold		35,498,737
Gross profit		10,366,096
Selling, general and administrative expenses		7,613,342
Operating profit from manufacturing operations		2,752,754
Investment revenues - net (note 3 and Schedule III)		22,015
Operating profit		2,774,769
Other income (deductions)		
Interest expense	$(1,158,292)	
Sundry - net	150,303	(1,007,989)
Earnings before income taxes and extraordinary items		1,766,780
Income taxes (principally Federal)		835,000
Earnings before extraordinary item		931,780
Extraordinary item		
Loss on discontinued operation and liquidation of the Paris, Illinois division, net of Federal income tax credit of $1,032,000		995,187
NET LOSS		$ (63,407)

Earnings (loss) per common share (note 10)	
Earnings before extraordinary item	$ .17
Extraordinary item	(.36)
Net loss	$(.19)

The accompanying notes are an integral part of this statement.

Golconda Corporation and Subsidiaries

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Year ended November 30, 1970

	Preferred stock	Common stock	Additional contributed capital	Retained earnings	Treasury stock	Total
Balance at beginning of period (note 1)						
Golconda Corporation	$ -	$200,000	$ 184,142	$ 3,029,408	$(485,600)	$ 2,927,950
Astro Controls, Inc.	468,445	547,628	6,529,803	11,899,836	-	19,445,712
Balance at beginning of period, as restated	468,445	747,628	6,713,945	14,929,244	(485,600)	22,373,662
Conversion of 18,589 shares of preferred stock into common stock during the year on a one-for-one basis (prior to merger)	(18,589)	18,589	-	-	-	-
Conversion of 7% convertible debentures into 3,000 shares of common stock	-	3,000	45,000	-	-	48,000
Costs relating to merger	-	-	(226,760)	-	-	(226,760)
	449,856	769,217	6,532,185	14,929,244	(485,600)	22,194,902
Net loss for the period	-	-	-	(63,407)	-	(63,407)
Cash dividends paid or payable						
Common stock						
June 15, 1970 ($.06 per share)	-	-	-	(115,980)	-	(115,98[illegible])
December 16, 1970 ($.06 per share)	-	-	-	(167,210)	-	(167,210)
	-	-	-	(283,190)	-	(283,190)
Preferred stock ($1.00 per share)	-	-	-	(455,394)	-	(455,394)
	-	-	-	(738,584)	-	(738,584)
Balance at end of period	$449,856	$769,217	$6,532,185	$14,127,253	$(485,600)	$21,392,911

The accompanying notes are an integral part of this statement.

LS 000172

Golc - CDA dm - 0170

Golconda Corporation and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

November 30, 1970

NOTE 1 - PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Golconda Corporation, formerly Golconda Mining Corporation, and its wholly-owned subsidiaries. Effective September 15, 1970, the company acquired all of the outstanding stock of Astro Controls, Inc., and has accounted for the transaction on a pooling-of-interests basis.

The company, which previously reported on a calendar year, adopted a November 30 fiscal year end. Accordingly, the statement of operations includes the results of operations of Golconda Corporation for the eleven months ended November 30, 1970, combined with those of Astro Controls, Inc. for the twelve months then ended. Operations of Golconda Corporation for the month of December 1969 excluded from the statement of operations were insignificant.

The company's equity in net assets of consolidated subsidiaries exceeded its investment by $61,220 at November 30, 1970. This amount represents undistributed net earnings of subsidiaries since dates of acquisition or organization and is included in retained earnings.

NOTE 2 - INVENTORIES

Inventories used in the computation of cost of goods sold are as follows:

	November 30,	
	1970	1969
Finished goods	$ 8,299,521	$10,764,921
Work in process	2,457,057	2,603,716
Raw materials and supplies	2,158,366	2,423,027
	$12,914,944	$15,791,664

Inventories are stated at the lower of cost (determined by the first-in, first-out method) or market.

NOTE 3 - INVESTMENTS

At November 30, 1970, 594,850 shares of Hecla Mining Company stock are pledged as collateral under notes payable to banks. During the year, the company entered into an agreement with the Hecla Mining Company which restricts the sale of Hecla stock to certain amounts during a period ending August 15, 1972.

Investment revenues are comprised as follows:

Net investment loss	
Income - principally dividends	$ 129,139
Expenses - including interest of $198,206(a)	343,066
	(213,927)
Net realized gain on investments	
Aggregate sales price	462,057
Cost	226,115
	235,942
Investment revenues - net	$ 22,015

(a) During 1970, the company, for financial reporting purposes only, expensed interest on certain debt in the amount of $108,389. In 1969, interest on this debt in the amount of $75,000 was capitalized as cost of investments.

LS 000173

Golc - CDA dm - 0171

NOTE 3 - INVESTMENTS - Continued

Alice Consolidated Mines, Inc. owns 1,109 acres of mining properties. Hecla Mining Company and Alice Consolidated Mines, Inc. are engaged in an exploration and development program to be conducted by Hecla on this property. The company has a 20 per cent participation in the preproduction costs for the exploration and development program. The company's expenditures are expected to amount to $500,000 over a five-year period, commencing in 1972. The company will receive 20 per cent of the net profits, if any, until such preproduction costs have been recovered, and 10 per cent thereafter.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at November 30, 1970 is comprised as follows:

Buildings and improvements	$ 3,397,315
Machinery, equipment and tools	9,454,529
Office furniture and fixtures	624,930
Mining properties	631,505
	14,108,279
Accumulated depreciation and amortization	8,735,008
	5,373,271
Land	644,755
	$ 6,018,026

Depreciation and amortization of $867,949, computed primarily on the straight-line method, is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. The estimated service lives and methods used in determining depreciation are as follows:

Description	Service lives	Method of depreciation
Buildings and improvements	8 to 50 years	Straight-line
Machinery and equipment	5 to 20 years	Straight-line and double declining-balance
Furniture and fixtures	8 to 20 years	Straight-line
Automobiles and aircraft	3 to 6 years	Principally double declining-balance
Land improvements	20 years	Straight-line
Leasehold improvements	Life of asset or term of lease, whichever is shorter	Straight-line

Maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with the depreciation taken prior to the sale with any resultant gain or loss reflected in earnings.

NOTE 5 - LONG-TERM DEBT

Long-term debt at November 30, 1970 is comprised of the following:

Note payable to bank at an interest rate of 1/2% above the prime rate, principal payments of $100,000 due quarterly, beginning May 1, 1971, final payment due August 1, 1975	$ 2,000,000
7% subordinated notes to insurance companies payable in semiannual sinking fund payments of $250,000, commencing July 15, 1971, final payment due January 15, 1979	4,000,000
7% convertible subordinated debentures due January 1, 1990	4,952,000
10% first mortgage note payable in monthly installments of $28,975 including interest, final payment due April 1, 1990	2,971,469
	13,923,469
Less current maturities	602,936
	$13,320,533

The 7% subordinated notes to insurance companies and the 7% convertible subordinated debenture agreements contain certain covenants, the most restrictive of which provide, among other things, that the company:

Will maintain consolidated net working capital of $10,000,000 and consolidated net worth, as defined, of $10,000,000. At November 30, 1970, consolidated net working capital and consolidated net worth, as defined, were $17,366,776 and $15,594,318, respectively.

Will not pay cash dividends or acquire for cash any shares of its stock in excess of 50% of cumulative consolidated net income, as defined, after December 31, 1968. At November 30, 1970, retained earnings in the amount of $156,093 were free of such restrictions. The current annual cash dividend requirement on the cumulative convertible preferred stock outstanding is $449,856. No dividends were in arrears at November 30, 1970.

Will not incur unsecured bank indebtedness due within one year in excess of $3,000,000 and for a period of 60 consecutive days during each calendar year, the company shall not have any such unsecured indebtedness outstanding.

Will not incur secured indebtedness in excess of $2,000,000.

Will not incur obligations under long-term leases as defined in excess of $150,000 per year. The current annual obligation under such leases is $130,000.

All covenants were either complied with or expressly waived.

LS 000175

NOTE 5 - LONG-TERM DEBT - Continued

In connection with loan agreements, the company has issued warrants entitling the holders thereof to purchase, at prices from $14.51 to $20.00, up to 410,592 shares of the company's common stock. These warrants expire at various dates through January 15, 1979.

The trust indenture underlying the convertible subordinated debentures provides, among other things, that the debentures are redeemable at the company's option at prices ranging from 107% in 1970 to 100% in 1984; that annual sinking fund payments of $325,000 are required beginning in 1976; that the company has an option to make additional annual payments of $325,000 beginning in 1975 and, that the debentures are convertible into shares of common stock at a conversion price of $10.67 per share (subject to antidilution provisions).

The aggregate amounts of long-term debt maturity in each of the five years subsequent to November 30, 1970 are as follows:

1971	$ 602,936
1972	958,479
1973	964,602
1974	971,367
1975	1,078,840

NOTE 6 - COMMITMENTS AND CONTINGENT LIABILITIES

Federal income tax returns of the company (formerly Golconda Mining Corporation) for the years 1962 through 1966 were examined by the Internal Revenue Service and an additional tax of $276,571 was proposed. A petition was filed with the Tax Court and the hearing was concluded during the year, however no decision has been rendered. It is the opinion of counsel that there is no deficiency owed by the company. In addition, the company's (formerly Golconda Mining Corporation) Federal income tax returns for the years 1967 through 1969 were examined and the Internal Revenue Service proposed tax deficiencies amounting to $70,170. The ultimate liability, if any, for such deficiencies, is presently undeterminable.

NOTE 7 - EMPLOYEE BENEFIT PLANS

The company has various benefit plans, including pensions, profit sharing and executive incentive compensation plans covering a substantial portion of its employees. Provisions for these plans for the fiscal year ended November 30, 1970 approximated $640,884. The pension plan is for substantially all salaried employees and full-time hourly rated employees of two divisions. Unfunded past service costs are being funded on a thirty-year basis; current costs are being funded as accrued. The actuarially computed value of vested benefits for all plans as of November 30, 1969 (the most recent actuarial valuation date) exceeded the total of the pension funds by $3,300,000. The charge to operations for the cost of the pension plans for the year ended November 30, 1970 was $513,696.

The consolidated statement of operations includes employees' discretionary bonuses in the amount (net of taxes) of $138,000 or $.05 per share, which were paid in April 1970. Employees' discretionary bonuses were not paid in 1969. This bonus plan has been discontinued and no further payments are required.

NOTE 8 - STOCK OPTION PLAN

The company has a qualified stock option plan at November 30, 1970 in which options covering 4,360 shares of cumulative convertible preferred stock were previously granted but not exercised. The options were priced at 100% of fair market value at the date of grant and may be exercised in whole or in part at any time prior to five years thereafter. All options were granted in prior years and no additional options may be granted under the plan. The 4,360 shares under option had a fair market value at date of grant of $92,539. During the year, no options were exercised, and options to purchase 3,284 shares were cancelled.

NOTE 9 - CAPITAL STOCK

Preferred stock consists of 1,000,000 authorized shars of $1 par value of which 449,856 shares are issued and outstanding at November 30, 1970 and 4,360 shares of the authorized but unissued preferred shares were reserved under the stock option plan (note 8).

The preferred stock is entitled to a preferential cumulative annual dividend at a rate of $1 per share. The shares are redeemable at the option of the company after May 6, 1974 at $37.50 per share plus unpaid cumulative dividends. The aggregate redemption value at November 30, 1970 is $16,869,600. The preferred stock has liquidation rights over the common stock in any final distribution and is entitled to one vote for each share held. No dividends are in arrears.

The preferred shares are convertible into common shares at the option of the holder at the rate of one and one-half shares common stock for each preferred share held. This conversion rate is subject to antidilution provisions.

Common stock consists of 7,500,000 authorized shares,without par value, of which 2,786,826 shares are outstanding. At November 30, 1970, 1,556,021 shares of authorized but unissued shares of common stock have been reserved as follows: 674,784 shares upon conversion of preferred stock; 464,105 shares upon conversion of the 7% convertible subordinated debentures (note 5); 410,592 shares upon exercise of warrants for the purchase of common stock (note 5); and 6,540 shares under the stock option plan (note 8).

At November 30, 1970, there are 67,000 shares of common stock held in treasury.

NOTE 10 - EARNINGS PER SHARE

Earnings per common share are based on the weighted average number of shares, 2,771,084 outstanding during the period. The dividends paid on preferred stock of $455,394 during 1970 were deducted in arriving at earnings available for common stock. The effects of the convertible preferred stock, stock options, warrants and convertible debentures have not been reflected in the computation of per share data because they are antidilutive.

LS 000177

Golc - CDA dm - 0175

NOTE 11 - SALARIES AND EXPENSES

During the year ended November 30, 1970, the aggregate remuneration paid to directors and officers amounted to $440,000.

Expenses include charges for legal services of Linde, Thomson, Van Dyke, Fairchild & Langworthy amounting to $75,000 and of Brenner, Lockwood & O'Neal amounting to $33,000. Travel and other expenses of $28,000 were also paid to Midland Aircraft Corporation. Certain officers and directors of the company are members of these firms.

Golconda Corporation and Subsidiaries

SCHEDULE III - INVESTMENTS IN SECURITIES OF AFFILIATES

November 30, 1970

Column A	Column B Balance at beginning of period		Column C Additions		Column D Deductions		Column E Balance at close of period	
Name of issuer and title of issue	(1) Shares	(2) Amount	(1) Shares	(2) Amount	(1) Shares	(2) Amount	(1) Shares	(2) Amount
Capital stock of operating companies located in the Coeur D'Alene Mining District								
Hecla Mining Company (affiliate) (note 3)	691,900	$3,836,959	13,788(A)	$ -	9,200	$ 4,958(C)	696,488	$3,832,001
Gulf Resources & Chemical, $1.30 preferred	1,500	7,737	-	-	1,500	7,737(C)	-	-
Capital stock of companies owning property in the Golconda area of the Coeur D'Alene Mining District (affiliates)								
Alice Consolidated Mines, Inc. (note 3)	-	-	4,308,020	399,137(B)	-	-	4,308,020	399,137
Alice Silver-Lead Mining Company	835,625	52,178	-	-	835,625	52,178(B)	-	-
Bell Mining Company	203,000	15,000	-	-	-	-	203,000	15,000
Black Bear Mines Company	880,371	11,014	-	-	-	-	880,371	11,014
Granada Lead Mines, Inc.	755,442	9,769	-	-	-	-	755,442	9,769
Great Eastern Mining Company	100,000	5,000	-	-	-	-	100,000	5,000
Ivanhoe Mining Company, Ltd.	358,000	4,690	-	-	-	-	358,000	4,690
Mullon Metals, Inc.	426,512	13,983	-	-	-	-	426,512	13,983
Mullon Silver-Lead Company	1,241,756	80,104	-	-	1,241,756	80,104(B)	-	-
Square Deal Mining & Milling Co., Ltd.	997,459	69,552	-	-	-	-	997,459	69,552
United Lead-Zinc Mines Company	1,413,354	210,291	-	-	1,413,354	210,291(B)	-	-
Wallace Mining Company	254,025	4,845	-	-	-	-	254,025	4,845
Capital stock of other mining companies located in the Coeur D'Alene Mining District	-	241,607	-	-	-	-	-	241,607
Capital stock of other mining companies								
American-South African Investment	1,000	49,435	-	-	1,000	49,435(C)	-	-
Campbell Red Lake Mines, Ltd.	1,000	24,775	-	-	1,000	24,775(C)	-	-
Dome Mines, Ltd.	1,000	53,807	-	-	1,000	53,807(C)	-	-
Granduc Mines, Ltd.	48,000	253,677	-	-	-	-	48,000	253,677
La Luz Mines, Ltd.	2,000	27,250	-	-	-	-	2,000	27,250
Homestake Mining Company	2,200	68,184	-	-	1,400	42,965(C)	800	25,219
President Brand Gold Mining Co.	2,000	42,438	-	-	2,000	42,438(C)	-	-
Silver Eureka Corporation	5,700	13,104	-	-	-	-	5,700	13,104
		$5,095,399		$399,137		$568,688		$4,925,848

(A) Stock dividend

(B) Cost of Alice Consolidated Mines, Inc. capital stock:

Mining properties exchanged(Schedule V)	$ 31,850
Accounts receivable	14,714
Stock subscription payable	10,000
Securities exchanged	
Bell Mining Company	52,178
Mullon Silver-Lead Company	80,104
United Lead-Zinc Mines Company	210,291
	$399,137

(C) Sales of securities

	Cash received	Cost	Gain (loss)
Hecla Mining Company	$231,178	$ 4,958	$226,220
Gulf Resources and Chemical, $1.30 preferred	24,042	7,737	16,305
American-South African Investment	43,624	49,435	(5,811)
Campbell Red Lake Mines, Ltd.	29,993	24,775	5,218
Dome Mines, Ltd.	64,029	53,807	10,222
Homestake Mining Company	37,404	42,965	(5,561)
President Brand Gold Mining Co.	31,787	42,438	(10,651)
	$462,057	$226,115	$235,942

(D) At November 30, 1970, there was $10,399,147 of unrealized appreciation on investments which is net of estimated Federal income taxes of $4,500,000; for 1969 there was $12,506,000 in unrealized appreciation net of applicable income taxes of $ 5,400,000.

(E) There was no purchase of investments during the period.

LS 000179

Golc - CDA dm - 0177

Golconda Corporation and Subsidiaries

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

November 30, 1970

Column A	Column B		Column C	Column D	Column E	Column F
	Balance at beginning of period					
Classification	Astro December 1, 1969	Golconda January 1, 1970	Additions at cost	Retirements or sales	Other changes debit/ (credit)	Balance at close of period
Land	$ 673,458	$ -	$ -	$ 28,703	$ -	$ 644,755
Land improvements	17,000	-	-	-	(17,000)(A)	-
Buildings and improvements	4,198,300	-	171,276	972,261	17,000 (A)	3,414,315
Machinery and equipment	9,534,102	-	564,810	931,762	-	9,167,150
Furniture and fixtures	553,749	-	95,189	24,008	-	624,930
Automobiles and aircraft	208,486	-	19,156	179,369	-	48,273
Leasehold improvements	214,718	-	7,388	-	-	222,106
Mining properties	-	697,096	-	-	(33,741)(B) (31,850)(C)	631,505
	$15,399,813	$697,096	$857,819	$2,136,103	$(65,591)	$14,753,034

(A) Reclassification
(B) Reclassified to sundry other assets
(C) Exchanged for capital stock of Alice Consolidated Mines, Inc. (Schedule III)

Golconda Corporation and Subsidiaries

SCHEDULE VI - RESERVES FOR DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

November 30, 1970

Column A	Column B Balance at beginning of period		Column C Additions (1)	Column D Deductions (1)	Column D From reserves (2)	Column E
Description	Astro December 1, 1969	Golconda January 1, 1970	Charged to profit and loss or income	Retirements renewals and replacements	Other debit/ (credit)	Balance at close of period
Land improvements	$ 12,042	$ -	$ 1,700	$ -	$ 13,742 (A)	$ -
Buildings and improvements	1,475,454	-	129,594	154,120	(13,742) (A)	1,464,670
Machinery and equipment	6,158,332	-	664,689	760,371	-	6,062,650
Furniture and fixtures	374,724	-	31,408	17,573	-	388,559
Automobiles and aircraft	58,003	-	25,044	56,341	-	26,706
Leasehold improvements	145,736	-	15,514	-	-	161,250
Mining properties	-	631,173	-	-	-	631,173
	$8,224,291	$631,173	$867,949	$988,405	$ -	$8,735,008

Column C (2) - None

(A) Reclassification

Golconda Corporation and Subsidiaries

SCHEDULE IX - BONDS, MORTGAGES AND SIMILAR DEBT

November 30, 1970

Column A Name of issuer and title of issue	Column B Amount authorized by indenture	Column C Amount issued and not retired or cancelled	Column D Amount included in Column C which is (2) Not held by or for account or issuer thereof	Column E Amount included in sum extended under caption "long-term debt" in related balance sheet
Golconda Corporation Note payable to bank*	$2,000,000	$2,000,000	$2,000,000	$ 1,700,000
7% subordinated notes payable	5,000,000	4,000,000	4,000,000	3,750,000
7% subordinated convertible debentures	5,000,000	4,952,000	4,952,000	4,952,000
10% first mortgage payable	3,000,000	2,971,469	2,971,469	2,918,533
				$13,320,533

*Interest rate is one-half per cent above the prime rate of interest.

Columns D(1), F, G, H(1) and H(2) - None

Golconda Corporation and Subsidiaries

SCHEDULE XII - RESERVES

November 30, 1970

Column A	Column B	Column C	Column D	Column E
		Additions		
		(1)		
Description	Balance at beginning of period	Charged to profit and loss or income	Deductions from reserves	Balance at close of period
Allowance for uncollectible receivables	$49,900	$18,848	$15,748	$53,000

Column C(2) - None

LS 000183

Golc - CDA dm - 0181

Golconda Corporation and Subsidiaries

SCHEDULE XIII - CAPITAL SHARES

November 30, 1970

Column A	Column B	Column C	Column D		Column E		Column G	Column H
			Number of shares included in Column C which are		Shares outstanding as shown on or included in related balance sheet under caption "stockholders' equity"			
Name of issuer and title of issue	Number of shares authorized by charter	Number of shares issued and not retired or cancelled	(1) Held by or for account of issuer thereof	(2) Not held by or for account of issuer thereof	(1) Number of shares	(2) Amount at which carried	Number of shares reserved for officers and employees	Number of shares reserved for options, warrants, conversions, and other rights
Golconda Corporation $1 cumulative convertible preferred stock	1,000,000	449,856	-	449,856	449,856	$449,856	4,360	4,360
Common stock, no par value	7,500,000	2,786,826	67,000	2,719,826	2,786,826	$769,217	6,540	1,556,021

Column F(1) and F(2) - None.

LS 000184

Golconda Corporation and Subsidiaries

SCHEDULE XIV - WARRANTS OR RIGHTS

November 30, 1970

Column A Title or issue of securities called for by warrants or rights	Column B Amount of securities called for by each warrant or right	Column C Number of warrants or rights outstanding	Column D Aggregate amount of securities called for by warrants or rights outstanding	Column E Date from which warrants or rights are exercisable	Column F Expiration date of warrants or rights	Column G Price at which warrant or right is exercisable
Golconda Corporation						
Common stock	45,000	1	45,000	September 27, 1968	August 27, 1971	$20.00
Common stock	13,500	1	13,500	September 27, 1968	August 27, 1971	20.00
Common stock	9,000	1	9,000	September 27, 1968	August 27, 1971	20.00
Common stock	11,250	1	11,250	September 27, 1968	August 27, 1971	20.00
Common stock	2,250	4	9,000	September 27, 1968	August 27, 1971	20.00
Common stock	1,125	2	2,250	September 27, 1968	August 27, 1971	20.00
Common stock	2,250	6	13,500	October 18, 1968	August 27, 1971	20.00
Common stock	1,125	2	2,250	October 18, 1968	August 27, 1971	20.00
Common stock	4,500	2	9,000	October 18, 1968	August 27, 1971	20.00
Common stock	3,375	1	3,375	October 18, 1968	August 27, 1971	20.00
Common stock	233,974	1	233,974	January 15, 1969	January 15, 1979	14.51
Common stock	43,870	1	43,870	January 15, 1969	January 15, 1979	14.51
Common stock	8,774	1	8,774	January 15, 1969	January 15, 1979	14.51
Common stock	5,849	1	5,849	January 15, 1969	January 15, 1979	14.51
			410,592			

Golconda Corporation and Subsidiaries

SCHEDULE XVI - SUPPLEMENTARY PROFIT AND LOSS INFORMATION

November 30, 1970

Item	Column B Charged directly to profit and loss (1) To cost of goods sold	(2) Other	Column D Total
Maintenance and repairs	$852,148	$ 49,072	$ 901,220
Depreciation and amortization	638,718	229,231	867,949
Taxes other than income taxes			
Real estate and personal property	279,501	22,141	301,642
Payroll	581,347	136,136	717,483
Sundry state taxes	1,424	85,683	87,107
	862,272	243,960	1,106,232
Rents and royalties	170,129	258,911	429,040

Column C(1) and C(2) - None.

LS 000186

SEC File No. 811-1342 EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

PART I

EDP ATTACHMENT FOR FORM N-1R
OF REGISTERED CLOSED-END MANAGEMENT INVESTMENT COMPANY

For Fiscal Year Ended November 30, 19 70

GOLCONDA CORPORATION (FORMERLY GOLCONDA MINING CORPORATION)
(Name of Registrant)

LS 000187

Golc - CDA dm - 0185

Item 1.00 Classification: 001

a. Size: Value of total assets .... $ 57,146,031 ..A

b. Diversified company – Sec. 5(b)(1) ....(yes or no) No ..B

c. Dual purpose company 1/ ....(yes or no) No ..C

1/ Has outstanding income and capital shares.

Item 1.01 Securities of registrant registered on a national securities exchange: 002 N

	Title of Class:	AMS	NYS	PCS	MSE	CBT	CIN	DSE	BSE	NAT	PBS	PIT	SLS	SPK	OTHER
		Exchange on which registered - check appropriate columns:													
01	Common - No Par Value			x						x			x	x	x
02															
03															
04															
05															
06															
07															

Item 1.02(a)

1. If registrant is a diversified company, state whether at the end of each fiscal quarter at least 75% of the value of its total assets was represented by cash and cash items (including receivables), Government securities, securities of other investment companies, and other securities as defined in Section 5(b)(1) of the Act ....(yes or no) INAP 003 ..A

2. If the answer to 1 above is "no", state whether any discrepancy was wholly or partly the result of the acquisition by registrant of any security or other property ....(yes or no) INAP ..B

Item 1.03 If registrant is a diversified company, state whether it made any commitment as underwriter, immediately following which the amount of its outstanding underwriting commitments, plus the value of its investments in securities of issuers (other than investment companies) of which it owned more than 10% of the outstanding voting securities, exceeded 25% of the value of its total assets..(yes or no) INAP 004

Item 1.04 005

a. State whether registrant met the requirements of Subchapter M of the Internal Revenue Code during its last taxable year .... (yes or no) NO ..A

b. State whether it intends to do so during its current taxable year .... (yes or no) NO ..B

LS 000188

Item 1.05 Operating expense and income ratios: 006

a. Ratio of operating expenses to total investment income .... INAP % ..A

b. Ratio of operating expenses to average net assets .... INAP % ..B

c. Ratio of net income to average net assets .... INAP % ..C

Amounts used in computing above ratios:

d. Total investment income .... $ INAP ..D

e. Total operating expenses.. $ INAP ..E

f. Total net income .... $ INAP ..F

g. Average net assets.. $ INAP ..G(2)

Item 1.06 Senior securities of registrant and applicable asset coverages:

Title of Class[1]	Amount Outstanding, Excluding Treasury Securities[2]	007
a. Indebtedness (including bank loans):		
1. Bank Loans	$ 4,330,000	..A
Subordinated Notes Payable	$ 4,000,000	..B
2. Debentures Payable	$ 4,952,000	..C
3. First Mortgage Payable	$ 2,971,469	..D
4. Total indebtedness	$ 16,253,469	..E
5. Percent asset coverage for total indebtedness[3]	295.59 %	
b. Stock (senior security):		
1. Preferred Stock-Involuntary Conversion Value	$ 16,869,600	..F
2.	$	..G(2)
3.	$	..H
4. Total senior securities representing stock	$ 16,869,600	..I
5. Percent asset coverage for senior securities representing stock[4]	188.46 %	..J

1/ List each class of senior security under the appropriate heading.

2/ Amount of each class of indebtedness, or total involuntary liquidation preference of each class of stock.

3/ A single ratio (as a percentage) for total indebtedness, as specified in instruction 2 to Item 1.06 of Form N-1R and Section 18(h) of the Act.

4/ A single ratio (as a percentage) for total indebtness plus senior securities representing stock, as specified in instruction 2 to Item 1.06 of Form N-1R and Section 18(h) of the Act.

Item 1.07(a) Sales, repurchases, and redemptions of securities (totals for fiscal year):[1]

Class:	No. of shares[2] or prin. am't. of debt (A)	Net Consideration (B)	
Common Stock:			
a. Sales shs.	853,675*	$ INAP	008
b. Repurchases shs.		$ INAP	009
Preferred Stock:			
c. Sales shs.	449,956*	$ INAP	010
d. Repurchases and redemptions shs.		$ INAP	011
Debt Securities:			
e. Sales	$	$ INAP	012
f. Repurchases and redemptions	$	$ INAP	013

*Exchanged for Astro Controls stock in merger of 9/15/70

1/ Excluding short-term paper, sinking fund or similar periodic decreases under terms of governing instruments, and payments of debt at maturity.

2/ Adjusted to reflect any stock dividend or stock split during the year. If any, specify date and basis:

LS 000189

Item 1.07(b) State whether all securities issued by registrant, other than shares issued as stock dividends or stock splits or through reinvestment of dividends or distributions, were registered under the Securities Act of 1933 .... (yes or no) Yes 034

Item 1.07(c) State whether registrant issued any of its securities: 035

(1) For services .... (yes or no) No ..A

(2) For property other than cash or securities (including securities of which registrant is the issuer), except as a dividend or distribution to its security holders or in connection with a reorganization .... (yes or no) No ..B

Item 1.07(d) State whether registrant sold any shares of its common stock at a price below the current net asset value (exclusive of any distributing commission or discount), other than as permitted by a provision of Section 23(b) of the Act .... (yes or no) No 036

Item 1.07(e) State whether registrant purchased any securities of which it was the issuer, other than as permitted by a provision of Section 23(c) of the Act or the rules thereunder .....(yes or no) — No — 037

Item 1.09(a) Persons owning of record, or known by registrant directly or indirectly to own, control, or hold with power to vote, 5% or more of outstanding voting securities of registrant:
(If individual, state last, first and middle names.)

	Type Ownership1/	Social Security or IRS Empl. Ident. No. (A)	% Owned (B)	038
01 First Greystone Associates	RB	43-0860616	9.822	N
02				
03				
04				
05				
06				
07				
08				
09				
10				
11				
12				
13				
14				
15				
16				
17				

1/ Insert "R" if record, "B" if beneficial, or "RB" if record and beneficial.

Item 1.10 Approximate number of holders of record of each class of equity securities:

Title of Class (A)	Number of Holders (B)	039
$1.00 Cumulative convertible preferred stock - $1.00 par value	1,662	
Common stock - No par value	4,124	
7% Convertible subordinated debentures due January 1, 1990	762	
Warrants expiring August 27, 1971	18	
Warrants expiring January 15, 1979	4	
Options on preferred stock	6	

Item 1.11

		040
(a) State whether registrant had a board of directors more than 60% of the members of which were investment advisers of, affiliated persons of an investment adviser of, officers or employees of, or regular legal counsel for, the registrant1/.......................... (yes or no)	No	..A
(b) State whether 50% or more of the members of the board of directors of registrant were regular brokers for registrant or affiliated persons of any such brokers1/......... (yes or no)	No	..B
(c) State whether 50% or more of the members of the board of directors of registrant were principal underwriters of securities issued by registrant or affiliated persons of any such principal underwriters1/..(yes or no)	No	..C
(d) State whether 50% or more of the members of the board of directors of registrant were investment bankers or affiliated persons of any investment banker1/ ....(yes or no)	No	..D
(e) State whether a majority of the board of directors of registrant were officers or directors of any one bank1/...(yes or no)	No	..E

1/ Except as permitted by the provisions of Section 10(e) of the Act. If registrant is an unincorporated company not having a board of directors, this item shall apply to the board of directors of the depositor of registrant and, except in the case of paragraph (a), to the board of directors of every investment adviser of registrant.

LS 000190

Golc - CDA dm - 0188

Item 1.12 (a)(1) Remuneration received by registrant's directors, officers and advisory board members from the complex:1/ Total remuneration received by each of registrant's directors, three highest paid officers, and advisory board members, whose remuneration exceeded $30,000 from the complex:1/ 041 N

	Name (Last)	(First)	(Middle)	Positions with Registrant2/	Social Security Number (A)	Total Dollar Amount from Complex1/ (B)
01	Coen	Michael	J.	Chmn.Bd	500-07-4308	$ 39,816
02	Kepen	Albert	S.	Vice Chmn.Bd	317-05-9564	78,130
03	Lucas	Lawrence	N.	VP &Dir	283-10-9205	72,120
04	Kepen	Robert	P.	VP	313-24-5695	46,708
05						
06						
07						
08						
09						
10						
11						
12						
13						
14						
					Total . . .	$236,774

042

Item 1.12 (a)(2) Total remuneration received as a group by all of registrant's directors and officers from the complex1/. . . . . $ 440,465 043

Item 1.12 (a)(3) Total remuneration received as a group by all of registrant's advisory board members from the complex1/. . . . . $ INAP 044

Item 1.12(b) Pension or retirement benefits: Total amount set aside or accrued during fiscal year by the complex1/ for pension or retirement benefits proposed to be paid to each person named in Item 1.12(a)(1) above: 045 N

	Name (Last)	(First)	(Middle)	Positions with Registrant2/	Social Security Number (A)	Dollar Amount Set Aside or Accrued (B)
01	Coen	Michael	J.	Chmn.Bd		$ 6,690
02	Kepen	Albert	S.	Vice Chmn.Bd		-
03	Lucas	Lawrence	N.	VP&DIR.		23,890
04	Kepen	Robert	P.	VP		-
05						
06						
07						
08						
09						
10						
11						
12						
13						
14						
					Total . . .	$30,580

046

LS 000191

Notes to Items 1.12(a)(1) through 1.12(b):

1/ The "complex" consists of registrant and companies and firms related to registrant as specified in clauses (i) through (v) of paragraph (a) of Item 1.12 of Form N-1R. The details with respect to the remuneration received from each member of the complex shall be included in the answers to Item 1.12 of Form N-1R.

2/ Indicate positions by the following symbols: D-director; O-officer; A-advisory board member.

Item 1.13 Remuneration in excess of $30,000 received from registrant and its subsidiaries by certain other affiliated persons of registrant (or affiliated persons thereof) or of its investment adviser or principal underwriter, as specified in Item 1.13 of Form N-1R:1/
If individual, state last, first and middle names

	Name	Social Sec. or IRS Empl. Ident. No. (A)	Capacities in Which Services Were Rendered (B)	Aggregate Remuneration (C)	
01	Linde, Thomson, VanDyke, Fairchild & Langworthy	44-0658478	Legal Fees&Exp	$ 74,689	047 N
02	Brenner, Lockwood & O'Neal	44-0640008	Legal Fees&Exp	33,061	
03					
04					
05					
06					
07					
08					

1/ Exclude information furnished in the answers to Items 1.12(a), 1.18(a)(4) and 1.32(c).

Item 1.15 Employees of registrant and of any company furnishing services at cost (Section 2(a)(19)(iii) of the Act) to registrant:

	Class of Employees: Exec. and Research Number of: Full-time (A)	Exec. and Research Number of: Part-time (B)	All Other Employees Number of: Full-time (C)	All Other Employees Number of: Part-time (D)	
(1) Of registrant	11	2	1,746	-	048
(2) Of a Sec. 2(a)(19)(iii) type company	INAP	INAP	INAP	INAP	049

(a) State name of Company: Golconda Corporation (Formerly Golconda Mining Corp. 050 N

Item 1.16 Custody of securities and similar investments; depositories: 051 N

a. Name of custodian:1/

Type of custody: (check one) 052

b. Bank – Sec. 17(f)(1) ....A
c. Member Nat'l Secs. Exch. – Rule 17f-1 ....B
d. Registrant – Rule 17f-2 .... x ..C

If registrant is custodian, name the depository:
e. Idaho First National Bank 053 N

LS 000192

1/ Insert in this space the name of the bank, exchange member, or registrant, in accordance with the type of custody checked below.

Item 1.17 Amount and type of fidelity bond(s): 054

a. Total amount .... $ 50,000 ..A
b. Type (blanket or individual) .... Blanket ..B
c. State whether in effect the entire fiscal year .... (yes or no) Yes ..C

Item 1.18 (a)(3)-1 Investment advisory contract: Fee rate (annualized) under registrant's advisory contract, as percent of net asset value: 1/,2/

Step:	Value of Registrant's Net Assets and Fee Rate: Net Assets (in millions) (A)	Annual Fee Rate (B)	
1. First	$ INAP 3/	INAP %	055
2. Of next			056
3. Of next			057
4. Of next			058
5. Of next			059
6. Of next			060
7. Of next			061
8. Of next			062
9. Of next			063
10. Of next			064
11. Of next			065
12. Of next			066
13. Of next			067
14. Over			068

1/ If registrant has more than one investment adviser, set forth in the table the fee rate paid to the adviser receiving the largest fee from registrant. State by footnote the name of such adviser and, with respect to the other adviser, the name, the basis and amount of the fee paid to it, and by whom such fee is paid.

2/ If fee is based wholly or partly on the performance of registrant, do not fill in this item, but so indicate in Item 1.18(a)(3)-3 below.

3/ If a single rate is charged, insert "no limit" for the amount in this space. If graduated fee rates are charged, insert the figures in successive spaces, and in the spaces opposite the step numbered 14, insert the final step amount and rate. Add additional spaces if more are required.

Item 1.18 (a)(3)-2 Percent of net asset value limit in advisory contract on total annual expenses of registrant . . . . INAP % 069

Item 1.18 (a)(3)-3 State whether advisory fee paid by registrant is based wholly or partly on the performance of registrant . . . . (yes or no) INAP 070

Item 1.18 (a)(3)-4 State whether advisory fee paid by registrant is determined on a basis other than a percent of net assets or the performance of registrant . . . . (yes or no) INAP 071

LS 000193

Item 1.18 (a)(4) Dollar amount of advisory fees paid by registrant . . . . $ INAP 072

Item 1.18(b) Total dollar amount of advisory fees received by registrant's adviser, or by any affiliated adviser thereof, from any associated registered investment companies 1/ . . . $ INAP 073

1/ "Associated registered investment company" for purposes of this item is defined in instruction 4 to Item 1.11(a) of Form N-1R, as qualified by instruction 3 to Item 1.18(b).

Golc - CDA dm - 0191

Item 1.19

a. If during the fiscal year registrant entered into an investment advisory contract, state whether the action was by the vote of a majority of the outstanding voting securities of registrant .... (yes or no) INAP 073..A

b. If during the fiscal year registrant was a party to an investment advisory contract which was in effect for a period of more than two years from the date of its execution, state whether action was taken to renew such contract .... (yes or no) INAP ..B

c. If during the fiscal year registrant renewed an investment advisory contract, state whether such action was by either the vote of a majority of the outstanding voting securities of registrant or by the board of directors,[1] in either case within a period of not more than two years from the date of execution of the contract or not more than one year from the effective date of the previous renewal of the contract .... (yes or no) INAP ..C

1/ Including a majority of the directors who were not parties to the contract or affiliated persons of the investment adviser or of the registrant (except solely in their positions as directors of registrant).

Item 1.21 Personnel of investment adviser (other than directors, officers, partners or proprietors):

Class of personnel:

Class of personnel	Number of: Full-time (A)	Part-time (B)	
a. Executives	INAP	INAP	075
b. Economists, statisticians, and research	INAP	INAP	076
c. Account supervisors and counsellors	INAP	INAP	077
d. All other personnel	INAP	INAP	078

Item 1.22 Services which were supplied or paid for wholly or in substantial part by investment adviser in connection with investment advisory contract:

	(yes or no)	079
a. Occupancy and office rental	INAP	..A
b. Clerical and bookkeeping	INAP	..B
c. Accounting services	INAP	..C
d. Auditing services	INAP	..D
e. Legal fees	INAP	..E
f. Registration and filing fees	INAP	..F
g. Stationery, supplies and printing	INAP	..G
h. Salaries and compensation of registrant's directors	INAP	..H
i. Salaries and compensation of registrant's officers	INAP	..I
j. Reports to shareholders	INAP	..J
k. Determination of net asset values	INAP	..K
l. Trading department	INAP	..L
Other (specify):		
m.	INAP	..M
n.	INAP	..N

LS 000194

Item 1.23

a. State whether registrant paid any continuing fee as a percent of net assets to any person for services,[1] otherwise than pursuant to an investment advisory contract .... (yes or no) YES 080

If answer is "yes" state:

b. To whom the continuing fee was paid: H.F. Magnuson & Company 081

c. Relationship of recipient to registrant or its investment adviser: Public Accountant N

d. Nature of services: Accounting, general office services & stock transfer services

e. Dollar amount of compensation paid .... $ 56,325 082

f. Continuing fee rate (annualized) as percent of net asset value:

Step:	Value of Registrant's Net Assets and Fee Rate: Net Assets (in millions) (A)	Annual Fee Rate (B)	
1. First	$ [2]	%	083
2. Of next			084
3. Of next			085
4. Of next			086
5. Of next			087
6. Of next			088
7. Of next			089
8. Of next			090
9. Of next			091
10. Of next			092
11. Of next			093
12. Of next			094
13. Of next			095
14. Over			096

LS 000195

1/ Except services specified in the instruction to Item 1.23 of Form N-1R.

2/ If a single rate is charged, insert "no limit" for the amount in this space. If graduated fee rates are charged, insert the figures in successive spaces, and in the spaces opposite the step numbered 14, insert the final step amount and rate. Add additional spaces if more are required.

Item 1.24

State whether registrant reported in Item 1.24 of its annual report on Form N-1R for the fiscal year that any person (other than its investment adviser or other persons of the character specified in Item 1.24 of the form and the instructions thereto) regularly furnished investment advice to registrant or to its investment adviser .... (yes or no) No 097

Item 1.25

Portfolio turnover for last three fiscal years:	Latest: 1970 (A)	Preceding: 1969 (B)	Earliest: 1968 (C)	
(a) Total portfolio turnover:				
1. Purchases	$ -	$ 1,008,342	$ 462,125	098
2. Sales	$ 462,057	$ 48,626	$ 350,623	099
3. Monthly avg. value of portfolio secs.	$ 21,085,211	$ 22,561,727	$ 27,094,662	100
4. Percent turnover	2.19 %	.21%	1.29%	101
(b) Common equity portfolio turnover:				
1. Purchases	$ -	$ 1,008,342	$ 462,125	102
2. Sales	$ 462,057	$ 48,626	$ 350,623	103
3. Monthly avg. value of portfolio secs.	$ 21,085,211	$ 22,561,727	$ 27,094,662	104
4. Percent turnover	2.19 %	.21 %	1.29 %	105

Item 1.26

(a) Portfolio trading transactions; borrowing: State whether registrant engaged in any of the following types of transactions during the fiscal year:

	(yes or no)	
1. Margin purchases	No	..A
2. Short selling	No	..B
3. Joint trading	No	..C
4. Option trading	No	..D
5. Option writing	No	..E
6. Borrowing of money	Yes	..F

(b) State whether the transactions, if any, reported in the answer to (a) above were permitted by registrant's policies as recited in its registration statement and reports filed under the Act. ..... Yes ..G(103

Item 1.27(b).

	Value in Restricted Securities: (A)	Percent of Total Net Assets: (B)	
Value of total net assets invested in "restricted securities", other than straight debt securities, at end of the fiscal year:	$ 2,584,812	8.13 %	107

Item 1.28

State whether registrant followed a practice of purchasing portfolio securities shortly prior to the ex-dividend dates ..... (yes or no) No 108

Item 1.29(b) State whether registrant distributed capital gains distributions on other than an annual basis ..... (yes or no) INAP 109

Item 1.30

State whether definitive proxy material was filed with the Commission with respect to all solicitations of shareholders of registrant by or in behalf of the management of registrant or its investment adviser ..... (yes or no) Yes 110

Item 1.31

Considerations which affected the participations of brokers or dealers in commissions or other compensation paid on portfolio transactions of registrant: 111

	(yes or no)	
a. Sales of registrant's shares	INAP	..A
b. Receipt of investment research and statistical information	INAP	..B
c. Receipt of quotations for portfolio valuations	INAP	..C
d. Ability to execute portfolio transactions efficiently and at best prices	INAP	..D
e. Receipt of telephone line and wire services	INAP	..E
f. Affiliated relationship of broker or dealer[1/]	INAP	..F
g. Arrangement to return or credit part or all of commissions or equivalent, or profits thereon:		
1. To investment adviser or an affiliated person thereof	INAP	..G(
2. To registrant	INAP	..H
Other (specify):		
h.	INAP	..I
i.	INAP	..J

LS 000196

1/ With registrant, its investment adviser, or an affiliated person of either of them.

Item 1.32 (a)&(b) Direct or indirect interest which each director, officer, member of any advisory board or committee, and any person who owns of record or is known by registrant to own beneficially 5% or more of the outstanding voting securities, and each partner, of registrant or of its investment adviser, had in the firms specified[1]

Name of investment adviser in which interest was held:[2]	IRS Empl. Ident. No. or Soc. Sec. No. (A)	If security holder, indicate: Holder of more than 25% of any class[4] (B)	Holder of 25% or less of any class[4] (C)	If partner, check: Holder of 1 of 4 largest interests (D)	Other (E)
Name(s) of holder of interest and relationship to registrant or its investment adviser:[3]					
01 INAP		INAPPLICABLE			
02					
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

112 N

LS 000197

See next page for notes.

Item
1.32
(a)&(b) continued

Broker or dealer named in Item 2.17(b) or 2.18, in which interest was held,[2] holder of such interest and holder's relationship to registrant or its investment adviser:[3]	IRS Empl. Ident. No. or Soc. Sec. No. (A)	If security holder, indicate: Holder of more than 25% of any class[4] (B)	Holder of 25% or less of any class[4] (C)	If partner, check: Holder of 1 of 4 largest interests (D)	Other (E)
INAP		INAPPLICABLE			

LS 000198

Item 1.32'a) and (b) notes:

1/ *For the purpose of this table, "interest" means ownership interest (direct or indirect).*

2/ Insert name of firm in which interest was held under this caption and, if interest was indirect, the name of the firm in which the direct interest was held and the pertinent relationship. *Omit the name of any firm in which there was no interest.*

3/ Insert name of holder of interest. If holder is an individual, state last, first, and middle names. Use two lines within a numbered space, if necessary. *Insert the following symbols after the name of the holder, as pertinent, to indicate all applicable relationships:* R-registrant; I-investment adviser; D-director; O-officer; A-advisory board member; S-security holder (5% or more of outstanding voting securities); P-partner. For example, use "RDO" to denote positions with registrant as director and officer. Omit the names of all persons who owned no direct or indirect interest. *If more space is required, use an additional sheet with the same column headings and captions.*

4/ Indicate in the applicable column each class of security held and whether it is a voting security, using footnote if more space is required. *Where the interest owned was that of a sole proprietorship, this fact shall be stated.*

Item 1.32(c) and (d) Participations of affiliated brokers or dealers[1] among the ten brokers (Item 2.17(b)) which received the largest participations in brokerage commissions on registrant's portfolio transactions and among the ten brokers or dealers (Item 2.18) which engaged as principals in the largest amounts of registrant's portfolio transactions, in brokerage commissions[2] on portfolio transactions (1) of registrant, and (2) of any associated registered investment company:[3]

Name of Affiliated Broker or Dealer[4]	IRS Empl. Ident. or Soc. Sec. No. (A)	Gross Commissions Received (B)	Give-Ups: Received from Others[6] (C)	Give-Ups: Paid to Others[6] (D)	Net Commissions Received (E)
(1) Participating in registrant's brokerage commissions:		$	$	$	$
01 INAP			INAPPLICABLE		
02					
03					
04					
05					
(2) Participating in associated registered *investment company's* brokerage commissions:[5]					
01 INAP			INAPPLICABLE		
02					
03					
04					
05					

LS 000199

1/ For the purpose of this item, "affiliated broker or dealer" is any broker or dealer of which a director, officer, member of any advisory board or advisory committee, or any person who owns of record or is known by registrant to own beneficially 5 percent or more of the outstanding voting securities, or any partner, of registrant or of its investment adviser, was an affiliated person.

2/ For the purpose of this item, include as brokerage commissions the amount of the compensation on those principal transactions (i.e., new issues and secondary distributions) where the compensation was fixed by agreement under the rules of a national securities exchange, or where the discount or concession was specified in the prospectus or fixed by the terms of the offering.

3/ "Associated registered investment company" for the purposes of this item is defined in instruction 4 to Item 1.11(a) of Form N-1R.

4/ *Indicate basis of affiliation (as defined in note 1 above) of each named broker or dealer by footnote or otherwise.*

5/ Insert name of associated registered investment company under this caption, and indent names of affiliated brokers or dealers receiving participations in brokerage commissions paid by such company under the name of the company.

6/ At the direction or request of registrant or of the associated registered investment company, as the case may be, or of the investment adviser or principal underwriter thereof.

Item 1.39(a) Portfolio composition: Value of total assets invested in various types of securities:	Number of Issues (A)	Value (B)	Percent of Total Assets (C)	
1. U.S. Government[1/]		$	%	147
2. Short-term debt[2/] (other than U.S. Gov't)				148
Long-term debt (other than U.S. Gov't):				
3. Non-convertible				149
4. Convertible				150
Preferred stocks:				
5. Non-convertible				151
6. Convertible				152
7. Common Stocks	~~15~~	~~19,824,995~~	~~34.70~~	153
8. Options or warrants[3/]				154
9. Other securities				155
10. Cash and other assets		37,321,036	65.30	156
11. Total assets		57,146,031	100.00%	157
12. Short positions (all types of sec's)		None		158

1/ Issued by the United States or an instrumentality thereof.
2/ Payable on demand or in not exceeding one year from date of issuance or renewal.
3/ Include any options or warrants attached to another security with, and in the category of, such other security.

Item 1.39(b) Five industries of heaviest concentration in common stocks: Name of Industry	Value of Common Stock Investments in Each (A)	Percent of Value of Total Assets (B)	159 N
01 Mining	$19,824,995	100.00 %	
02			
03			
04			
05			

Item 1.39(c) Five largest common stock holdings in individual companies: Name of Company	Value of Investment (A)	Percent of Value of Total Assets (B)	160 N
01 Hecla Mining Company	$16,367,468	28.64 %	
02 Alice Consolidated Mines, Inc.	2,584,812	4.52	
03 Granduc Mines, Ltd.	326,400	0.57	
04 Square Deal Mining & Milling Co. Ltd.	209,466	0.37	
05 LaLuz Mines, Ltd.	20,900	0.04	

Item 1.39(d) Market discount or premium from net asset value of outstanding common stock: Common Stock (per share):	End of Fiscal Year: Latest Fiscal 19__ (A)	Preceding Fiscal 19__ (B)
1. Net asset value per share	$ INAP	$ INAP
2. Market price[1/]	$	$
3. Market discount ( )[2/] or premium	$	$
4. Percent market discount ( ) or premium[3/]	%	%

LS 000200

1/ Closing sale or mean of bid and asked.
2/ Indicate discount by placing figures in parentheses.
3/ State as a percentage of net asset value. If a discount, place the percentage in parentheses.

Golc - CDA dm - 0198

SEC File No. 811-1342 EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

PART I

EDP ATTACHMENT FOR FORM N-1R
OF REGISTERED CLOSED-END MANAGEMENT INVESTMENT COMPANY

For Fiscal Year Ended November 30, 19 70

GOLCONDA CORPORATION (FORMERLY GOLCONDA MINING CORPORATION)
(Name of Registrant)

LS 000187

... repurchased at the higher of average rate or year-end closing rate.

(3) Interest savings resulting from assumed retirement of debt from proceeds of options and warrants in excess of 20% rule.

LS 000201

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

F O R M N-1R

PART II

REGISTRANT REQUESTS NONPUBLIC CLASSIFICATION

FOR THIS PART II OF FORM N-1R

FOR FISCAL YEAR ENDED NOVEMBER 30, 1970

GOLCONDA CORPORATION
(formerly Golconda Mining Corporation)
(Name of Registrant)

82-0122540
(IRS Employers' Identification Number)

8550 West Bryn Mawr Avenue, Chicago, Illinois 60631
(Address of Principal Executive Office of Registrant)

TABLE OF CONTENTS

PART II

Item 2.01 Attendance of Directors and Members of Advisory Board of Registrant at Formal Meetings.

(1) Formal meetings held by board of directors.

Date of Meeting	Total Number of Members of Board		Total Number of Members in Attendance at Meeting	
	Affiliated	Unaffiliated	Affiliated	Unaffiliated
March 17, 1970	2	3	2	1
March 24, 1970	2	2	2	2
April 28, 1970	2	2	2	1
May 12, 1970	2	3	2	2
September 4,1970	2	3	2	1
September 16,1970	6	8	5	7
October 16, 1970	6	8	6	3

(2) Formal meetings of executive committee.

Date of Meeting	Total Number of Members of Board		Total Number of Members in Attendance at Meeting	
	Affiliated	Unaffiliated	Affiliated	Unaffiliated
October 16,1970	5	2	5	2
October 28,1970	5	2	5	2
November 11,1970	5	2	5	2
November 24,1970	5	2	5	2

(3) Formal meetings of advisory board.

Not applicable

Item 2.02 Purchase and Sale Transactions Within Six-Month Period.

Not applicable -

Registrant did not purchase any portfolio securities of the same class of the same issuer which it had sold within a period of six months immediately preceding the date of purchase, or sell any portfolio securities of the same class of the same issuer which it had purchased within a period of six months immediately preceding the date of sale.

Item 2.03 Procedures with Respect to Stated Policies (Sections 8(b) and 13).

The officers and directors of Registrant consistently followed the practice of reviewing investments in mining companies and the status of liabilities regarding loans in accordance with Registrant's policies as recited in its Registration Statement.

Item 2.04 Purchase of Securities During Underwriting by Affiliated Principal Underwriter (Section 10(f)).

Not applicable

LS 000205

Golc - CDA dm - 0203

Item 2.05 Purchase of Securities of or Other Interest in Investment Company. Investment Adviser, Broker, Dealer, Underwriter or Insurance Company (Section 12(d)).

Not applicable

Item 2.06 Vacancies in Board of Directors of Registrant: Percent of Board Elected by Security Holders (Sections 16(a) and 16(b)).

(a) Not applicable

(b) Not applicable

Item 2.07 Transactions Between Registrant or Controlled Company and Affiliated or Certain Other Persons (Sections 17(a), 17(b), 17(c) and 21).

(a) The officers of Registrant periodically review the list of shareholders of Registrant.

(b) Not applicable

(c) Not applicable

(d) Not applicable

(e) - - -

(f) Not applicable

Item 2.08 Transactions Between Registrant and Certain Affiliated Persons of Directors or Officers of Investment Adviser or Principal Underwriter.

Not applicable

Item 2.09 Remuneration of Certain Affiliated Persons Acting as Agent in Property Transactions or as Broker in Securities Transactions (Section 17(c)).

(a) Not applicable

(b) Not applicable

(c) Not applicable

(d) Not applicable

Item 2.10 Deposit of Funds in Banks Other Than Custodian Banks (Section 17(f)).

(a)

Name and Address	Average Monthly Deposit
Idaho First National Bank, Wallace, Idaho	$ 20,049
First National Bank, Wallace, Idaho	1,759
First Federal Savings & Loan, Osburn, Idaho	1,435
Pacific National Bank of Washington, Spokane, Washington	208,306
Old National Bank of Washington, Spokane, Washington	74,997

The average monthly deposits are those of the Investment Subsidiary Only - formerly Golconda Mining Corporation.

(b) Not applicable

LS 000206

Item 2.11 Fidelity Bond (Section 17(g)).

(a) Fidelity bond carried by registrant contained substantive provisions required by Rule 17(g) - 1(a) under the Act.

(b) Adequacy of fidelity bond was reviewed by Directors of Registrant during fiscal year.

(c) (1) Copy of resolution filed with Commission.

(2) Premiums paid to July 12, 1971.

(3) Not applicable.

(d) Not applicable - no claim filed.

(e) Not applicable.

(f) Not applicable.

Item 2.12 Disposition of "Restricted Securities" Other Than Straight Debt Securities.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

(e) Not applicable.

Item 2.13 Dividends or Distributions Requiring Written Statement to Stockholders of Registrant (Section 19).

Not applicable

Item 2.14 Cross-Ownership and Circular Ownership (Sections 20(c) and 20(d)).

Not applicable

Item 2.15 Periodic Calculation of Current Net Asset Value per Share of Registrant's Outstanding Capital Stock (Section 22).

Not applicable

Item 2.16 Selection and Ratification of Accountants and Auditors: Preparation of Financial Statements Filed with Commission (Section 32).

(a) Not applicable

(b) Not applicable

Item 2.17 Total Brokerage Commissions Paid on Portfolio Transactions of Registrant; Ten Largest Participating Brokers in Commission Paid.

(a) $4,524

(b)

Name of Broker	Gross Commissions Received for Executions	Amounts Received from Other Brokers	Amounts Paid To Other Brokers	Net Commissions Received
Dominick & Dominick	$ 1,265	-	-	$ 1,265
Midland Securities Co., Inc.	1,958	-	-	1,958
Reynolds & Co.	410	-	-	410
Bache & Company	891	-	-	891
	$ 4,524			$ 4,524

Item 2.18 Portfolio Transactions by Registrant with Brokers and Dealers Acting as Principal.

Name of Broker or Dealer Acting as Principal	Amount of Purchases	Amount of Sales
Pennaluna & Company	$ 0	$ 63,000

Item 2.19 Portfolio Transactions by Registrant with Brokers or Dealers in Return for Benefits Provided to Other Persons.

Not applicable

Item 2.20 Family Relationships of Certain Affiliated Persons of Registrant.

Not applicable

Item 2.21 Transactions Between Investment Adviser, Principal Underwriter or Certain Brokers and Unaffiliated Directors or Officers of Registrant.

Not applicable

Item 2.22 Indebtedness of Unaffiliated Directors or Officers of Registrant to Investment Adviser or Principal Underwriter.

Not applicable

Items 2.23 through 2.29 Apply Only to Open-End Companies

LS 000208

S I G N A T U R E

This Part II of the registrant's report on Form N-1R has been submitted to each member of the board of directors of the registrant, and, pursuant to the requirements of the Investment Company Act of 1940, the undersigned registrant has caused this Part II to be signed on its behalf in the City of Chicago and State of Illinois on the 12th day of May, 1971.

GOLCONDA CORPORATION
(formerly Golconda Mining Corporation)

By J. M. Stogin
J. M. Stogin
Vice President

Witness: E. C. Swiatlo
E. C. Swiatlo
Assistant Secretary

LS 000209

Golc - CDA dm - 0207

AUDITORS' REPORT

Board of Directors
Golconda Corporation

We have examined the consolidated balance sheet of Golconda Corporation and Subsidiaries as of November 30, 1970, and the related statements of operations and stockholders' equity for the year then ended and have rendered our opinion thereon dated January 18, 1971. We have also examined the answers to the items enumerated below which are included in the report of Golconda Corporation filed with the Securities and Exchange Commission on Form N-1R for the year ended November 30, 1970; in connection therewith, we have applied such supplemental tests and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the answers set forth in the following items present fairly the information they purport to show:

Items 1.03; 1.05; 1.06; 1.07(a),(c); 1.17; 1.18(a)(1),(3),(4); 1.22; 1.25; 1.26(a); 1.29(a);2.02; 2.12 (lettered clauses (a), (b), (c), (d)); 2.13; 2.15; 2.17(a)(b) (clause (1)) and 2.18.

The answers set forth in the following items are in accordance with the minutes of Golconda Corporation examined by us:

Items 1.19; 2.06; and 2.11(b).

The procedures which we applied were not of sufficient scope to enable us to express an opinion, and we do not express an opinion as to the answers to the following items:

Items 1.13 and 2.05.

However, in connection with our examination, nothing came to our attention which causes us to believe that the accompanying answers to such items do not fairly set forth the information they purport to show.

We consent to the use of this report in connection with the filing of the report of Golconda Corporation with the Securities and Exchange Commission on Form N-1R.

ALEXANDER GRANT & COMPANY
Certified Public Accountants

May 6, 1971
Chicago, Illinois

LS 000210

Item 2.17 Total Brokerage Commissions Paid on Portfolio Transactions of Registrant; Ten Largest Participating Brokers in Commission Paid.

(a) $4,524

(b)

Name of Broker	Gross Commissions Received for Executions	Amounts Received from Other Brokers	Amounts Paid To Other Brokers	Net Commissions Received
Dominick & Dominick	$ 1,265	-	-	$ 1,265
Midland Securities Co., Inc.	1,958	-	-	1,958
Reynolds & Co.	410	-	-	410
Bache & Company	891	-	-	891
	$ 4,524			$ 4,524

Item 2.18 Portfolio Transactions by Registrant with Brokers and Deale Acting as Principal.

Name of Broker or Dealer Acting as Principal	Amount of Purchases	Amount of Sales
Pennaluna & Company	$ 0	$ 63,000

Item 2.19 Portfolio Transactions by Registrant with Brokers or Dealer in Return for Benefits Provided to Other Persons.

Not applicable

Item 2.20 Family Relationships of Certain Affiliated Persons of Registrant.

Not applicable

Item 2.21 Transactions Between Investment Adviser, Principal Underwri or Certain Brokers and Unaffiliated Directors or Officers of Registrant.

Not applicable

Item 2.22 Indebtedness of Unaffiliated Directors or Officers of Registrant to Investment Adviser or Principal Underwriter.

Not applicable

Items 2.23 through 2.29 Apply Only to Open-End Companies

LS 000208

S I G N A T U R E

This Part II of the registrant's report on Form N-1R has been submitted to each member of the board of directors of the registrant, and, pursuant to the requirements of the Investment Company Act of 1940, the undersigned registrant has caused this Part II to be signed on its behalf in the City of Chicago and State of Illinois on the 12th day of May, 1971.

GOLCONDA CORPORATION
(formerly Golconda Mining Corporation)

By [signature]
J. M. Stogin
Vice President

Witness: [signature]
E. C. Swiatlo
Assistant Secretary

LS 000209

Golc - CDA dm - 0210

AUDITORS' REPORT

Board of Directors
Golconda Corporation

We have examined the consolidated balance sheet of Golconda Corporation and Subsidiaries as of November 30, 1970, and the related statements of operations and stockholders' equity for the year then ended and have rendered our opinion thereon dated January 18, 1971. We have also examined the answers to the items enumerated below which are included in the report of Golconda Corporation filed with the Securities and Exchange Commission on Form N-1R for the year ended November 30, 1970; in connection therewith, we have applied such supplemental tests and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the answers set forth in the following items present fairly the information they purport to show:

Items 1.03; 1.05; 1.06; 1.07(a),(c); 1.17; 1.18(a)(1),(3),(4); 1.22; 1.25; 1.26(a); 1.29(a);2.02; 2.12 (lettered clauses (a), (b), (c), (d)); 2.13; 2.15; 2.17(a)(b) (clause (1)) and 2.18.

The answers set forth in the following items are in accordance with the minutes of Golconda Corporation examined by us:

Items 1.19; 2.06; and 2.11(b).

The procedures which we applied were not of sufficient scope to enable us to express an opinion, and we do not express an opinion as to the answers to the following items:

Items 1.13 and 2.05.

However, in connection with our examination, nothing came to our attention which causes us to believe that the accompanying answers to such items do not fairly set forth the information they purport to show.

We consent to the use of this report in connection with the filing of the report of Golconda Corporation with the Securities and Exchange Commission on Form N-1R.

ALEXANDER GRANT & COMPANY
Certified Public Accountants

May 6, 1971
Chicago, Illinois

SEC File No. 811-1342

EXHIBIT 1.

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

PART II

EDP ATTACHMENT FOR FORM N-1R
OF REGISTERED CLOSED-END MANAGEMENT INVESTMENT COMPANY

For Fiscal Year Ended November 30, 1970

GOLCONDA CORPORATION
(formerly Golconda Mining Corporation)
(Name of Registrant)

LS 000211

Golc - CDA dm - 0212

Item			SEC USE
Item 2.01(1)	Attendance of directors at formal meetings:		
	a. Total number of formal meetings held by the board of directors	7	201.A
	Percent total attendance of directors at formal meetings of the board of directors (ratio of the total of the number of directors in attendance at the respective meetings of the board to the total of the numbers of the members of the board at the dates of such meetings):		
	b. Affiliated directors[1/]	95.45 %	..B
	c. Unaffiliated directors[1/]	58.62 %	..C

1/ As defined in the instruction to Item 2.01 of Form N-1R.

Item				SEC USE
Item 2.02	Portfolio purchase and sale transactions in securities of same class of same issuer within a six-month period:			202
	a. Total purchases	$	INAP	..A
	b. Total sales	$	INAP	..B
	c. Total purchases and sales	$	INAP	..C
	d. Total purchases and sales as percent of monthly average value of portfolio securities for the fiscal year[1/]		INAP %	..D

1/ The monthly average value of the total portfolio securities shown in Item 1.25(a)3 above shall be used in computing this percentage.

Item			SEC USE
Item 2.04	Purchase of securities during underwriting by affiliated principal underwriter (Section 10(f)): State whether registrant reported in Item 2.04 of its annual report on Form N-1R for the fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by the provisions of any rule under Section 10(f) of the Act.......... (yes or no)	NO	202
Item 2.05	*Purchase of interest in investment company, investment adviser, broker, dealer, underwriter, or insurance company* (Section 12(d)): State whether registrant reported in Item 2.05 of its annual report on Form N-1R for the fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by any provision of Section 12(d) of the *Act or any rule thereunder*.................. (yes or no)	NO	20:
Item 2.06	(a) If any vacancy in the board of directors of registrant was filled by action of the board, state whether, immediately after the filling of any such vacancy, at least two-thirds of the directors then holding office had been elected by the holders of the outstanding voting securities of registrant at an annual or a special meeting of the shareholders[1/]...... (yes or no)	NO	20..A
	(b) If at any time (during the fiscal year) less than a majority of the directors of registrant then holding office had been elected by the holders of the outstanding voting securities of registrant, state whether a meeting of such holders was held within sixty days for the purpose of electing directors to fill any existing vacancies in the board of directors[1/]......... (yes or no)	INAP	..E

LS 000212

1/ The reporting requirements of this item shall not apply to registrant if it is a common law trust existing on the date of enactment of the Act under an indenture of trust which does not provide for the election of trustees by the shareholders. If registrant is such a trust, it shall check here .... ☐ ..C

Item			SEC USE
Item 2.07	Transactions between registrant or controlled company and affiliated or certain other persons (Sections 17(a), 17(b), 17(c), and 21): *State whether registrant reported in Item 2.07 of* its annual report on Form N-1R for the fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by any provision of Section 17 or 21 of the Act or any rule thereunder.................. (yes or no)	NO	2:

Item 2.08	State whether there was any transaction between registrant and any corporation or organization (other than registrant's investment adviser) which was an affiliated person, known to be such by registrant, of any director or officer of registrant's investment adviser.[1/] (yes or no)	NO	206

1/ Other than a transaction for which no information need be given pursuant to the instructions to Item 2.08 of Form N-1R.

Item 2.09	Remuneration of certain affiliated persons acting as agent in property transactions or as broker in securities transactions (Section 17(e)): State whether registrant reported in Item 2.09 of its annual report on Form N-1R for the fiscal year the payment of any compensation which was not exempted by an order of the Commission or exempted or excepted by the provisions of any rule under Section 17(e) of the Act .... (yes or no)	NO	207

Item 2.10(a) Name each bank, other than a custodian bank named in Item 1.16(a), in which registrant kept deposits, and state the average monthly balance thereof in each during the fiscal year: 208 N

	Name of Bank	IRS Empl. Ident. No. (A)	Average Monthly Balance of Deposits (B)
01	Idaho First National Bank	82-6005448	$ 20,049
02	First National Bank of Wallace	82-0174625	1,759
03	First Federal Savings and Loan	82-0109357	1,435
04	Pacific National Bank of Washington	not available	208,306
05	Old National Bank of Washington	not available	74,997
06			
07			
08			
09			
10			
11			
12			

LS 000213

The above banks and average monthly deposits are those of the Investment Subsidiary only - formerly Golconda Mining Corporation.

Item 2.10(b)	State whether there was any practice or arrangement under which a custodian bank named in Item 1.16(a) above maintained deposits of registrant's funds or equivalent funds of any such custodian bank deposits in other banks .... (yes or no)	INAP	209
Item 2.11	State whether registrant complied with all requirements of Rule 17g-1 under the Act with respect to a fidelity bond .... (yes or no)	YES	210
Item 2.13	If registrant paid any dividend or made any distribution in the nature of a dividend payment, wholly or partly from any source other than the sources stated in Section 19 of the Act, state whether such payment or distribution was accompanied by a written statement to the stockholders disclosing the source or sources thereof and otherwise complying with the provisions of Rule 19-1 under the Act .... (yes or no)	INAP	211

Golc - CDA dm - 0214

Item 2.14	(a) State whether registrant purchased any voting security of a company where, to the knowledge of registrant, cross ownership or circular ownership then existed or after such acquisition existed, between registrant and the issuer of such security . . . . . . (yes or no)	NO	212 ..A
	(b) If, to the knowledge of registrant, any cross ownership or circular ownership came into existence, state whether steps were taken by registrant, when such relationship became known to it, to terminate such ownership . . . . (yes or no)	INAP	..B
Item 2.15	State whether registrant followed all procedures specified in Rule 2a-4 under the Act in the making of periodic calculations of the current net asset value per share of its outstanding capital stock. . . . . (yes or no)	INAP	213
Item 2.16	(a) State whether registrant filed with the Commission any financial statement certified by an independent public accountant other than one selected or ratified in accordance with Section 32(a) of the Act and the rules thereunder . . . . (yes or no)	NO	214 ..A
	(b) State whether registrant filed with the Commission any financial statement in the preparation of which the controller or other principal accounting officer or employee of registrant participated other than one selected in accordance with Section 32(b) of the Act . . . . (yes or no)	NO	..B

Item 2.17(a) Broker-dealer participations in portfolio transactions:
Total brokerage commissions 1/ paid by registrant . . . . $ 4,524 215

1/ See Note 1 to Item 2.17(b) below.

Item 2.17(b) Ten brokers which received the largest participations in brokerage commissions 1/ on registrant's portfolio transactions, set forth in order of size based on net commissions received: 216 N

	Name of Broker	IRS Empl. Ident. or Soc. Sec. No. (A)	Gross Comm. Rec'd Fm. Regist. (B)	Give-Ups: Received from Others 2/ (C)	Give-Ups: Paid to Others 2/ (D)	Net Commissions Received (E)
01	Dominick & Dominick	N/A	$1,265	$	$	$1,265
02	Midland Securities Co. Inc.	N/A	1,958			1,958
03	Reynolds & Co.	N/A	410			410
04	Bache & Company	N/A	891			891
05						
06						
07						
08						
09						
10						

LS 000214

1/ For the purpose of this item, include as brokerage commissions the amount of the compensation on those principal transactions (i.e., new issues and secondary distributions) where the compensation was fixed by agreement under the rules of a national securities exchange, or where the discount or concession was specified in the prospectus or fixed by the terms of the offering.

2/ At the direction or request of registrant or its investment adviser.

Golc - CDA dm - 0215

Item 2.18 Broker-dealers acting as principals: Amounts of portfolio transactions (including Government securities) by registrant with brokers or dealers named in item 2.17(b) acting as principals and with other brokers or dealers among the ten which engaged as principals in the largest amounts:

217 N

	Name of Broker or Dealer 1/	IRS Empl. Ident. or Soc. Sec. No. (A)	Principal Transactions: Purchases by Registrant (B)	Principal Transactions: Sales by Registrant (C)	Principal Transactions: Total (D)
01	Pennaluna & Company	82-0258524	$ -	$63,000	$ 63,000
02					
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14					
15					
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29					
30					

LS 000215

1/ Set forth the names in a single list arranged in order of the total amount of transactions by registrant with each broker or dealer (from highest to lowest amounts), and indicate by footnote each such broker or dealer which is also named in Item 2.17(b).

Item		Answer	SEC USE
Item 2.19	State whether any orders for the purchase or sale of portfolio securities on behalf of registrant were placed with a broker or dealer in return for any benefits provided, directly or indirectly, to any other person1/ .... (yes or no) 1/ Other than registrant's investment adviser or a company of the character described in clause (iii) of the instruction to Item 1.24 of Part I of Form N-1R.	NO	218
Item 2.20	State whether there was any family relationship, known to registrant, of certain affiliated persons of registrant, specified in Item 2.20 of Form N-1R, with other such affiliated persons of registrant or of its investment adviser............................ (yes or no)	NO	219
Item 2.21	State whether there was any transaction between registrant's investment adviser, or any broker named in the answers to Item 2.17 and 2.18 of Form N-1R, and (a) any director or officer of registrant who was not an affiliated person of such investment adviser or broker, as the case may be, or (b) any corporation or organization controlled by such director or officer1/.. (yes or no) 1/ Other than a transaction for which no information need be given pursuant to the instructions to Item 2.21 of Form N-1R.	NO	220
Item 2.22	State whether there was any indebtedness (other than by virtue of margin accounts) of any director or officer of registrant who was not then an affiliated person of registrant's investment adviser, in an amount exceeding $1,000 to the investment adviser or to any affiliated person thereof .... (yes or no)	NO	221

LS 000216

U. S. GOVERNMENT PRINTING OFFICE

SEC File No. 811-1342

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

PART I

EDP ATTACHMENT FOR FORM N-1R
OF REGISTERED CLOSED-END MANAGEMENT INVESTMENT COMPANY

For Fiscal Year Ended November 30, 19 70

GOLCONDA CORPORATION (FORMERLY GOLCONDA MINING CORPORATION)
(Name of Registrant)

LS 000217

Golc - CDA dm - 0218

Item 1.00 Classification: 001

a. Size: Value of total assets .... $ 57,146,031 ..A

b. Diversified company – Sec. 5(b)(1) .... (yes or no) No ..B

c. Dual purpose company 1/ .... (yes or no) No ..C

1/ Has outstanding income and capital shares.

Item 1.01 Securities of registrant registered on a national securities exchange: 002 N

	Title of Class:	AMS	NYS	PCS	MSE	CBT	CIN	DSE	BSE	NAT	PBS	PIT	SLS	SPK	OTHER
		Exchange on which registered - check appropriate columns:													
01	Common - No Par Value			x						x			x	x	x
02															
03															
04															
05															
06															
07															

LS 000218

Item 1.02(a) 1. If registrant is a diversified company, state whether at the end of each fiscal quarter at least 75% of the value of its total assets was represented by cash and cash items (including receivables), Government securities, securities of other investment companies, and other securities as defined in Section 5(b)(1) of the Act .... (yes or no) INAP 003 ..A

2. If the answer to 1 above is "no", state whether any discrepancy was wholly or partly the result of the acquisition by registrant of any security or other property .... (yes or no) INAP ..B

Item 1.03 If registrant is a diversified company, state whether it made any commitment as underwriter, immediately following which the amount of its outstanding underwriting commitments, plus the value of its investments in securities of issuers (other than investment companies) of which it owned more than 10% of the outstanding voting securities, exceeded 25% of the value of its total assets .... (yes or no) INAP 004

Item 1.04 005

a. State whether registrant met the requirements of Subchapter M of the Internal Revenue Code during its last taxable year .... (yes or no) NO ..A

b. State whether it intends to do so during its current taxable year .... (yes or no) NO ..B

Item 1.05 Operating expense and income ratios: 006

a. Ratio of operating expenses to total investment income .... INAP % ..A

b. Ratio of operating expenses to average net assets .... INAP % ..B

c. Ratio of net income to average net assets .... INAP % ..C

Amounts used in computing above ratios:

d. Total investment income .... $ INAP ..D

e. Total operating expenses .... $ INAP ..E

f. Total net income .... $ INAP ..F

g. Average net assets .... $ INAP ..G/2

SEC USE

Item 1.06 Senior securities of registrant and applicable asset coverages:

Title of Class[1]	Amount Outstanding, Excluding Treasury Securities[2]	007
a. Indebtedness (including bank loans):		
1. Bank Loans Subordinated Notes Payable	$ 4,330,000 $ 4,000,000	..A ..B
2. Debentures Payable	$ 4,952,000	..C
3. First Mortgage Payable	$ 2,971,469	..D
4. Total indebtedness	$ 16,253,469	..D
5. Percent asset coverage for total indebtedness[3]	295.59 %	..E
b. Stock (senior security):		
1. Preferred Stock-Involuntary Conversion Value	$ 16,869,600	..F
2.	$	..G(2)
3.	$	..H
4. Total senior securities representing stock	$ 16,869,600	..I
5. Percent asset coverage for senior securities representing stock[4]	188.46 %	..J

1/ List each class of senior security under the appropriate heading.

2/ Amount of each class of indebtedness, or total involuntary liquidation preference of each class of stock.

3/ A single ratio (as a percentage) for total indebtedness, as specified in instruction 2 to Item 1.06 of Form N-1R and Section 18(h) of the Act.

4/ A single ratio (as a percentage) for total indebtness plus senior securities representing stock, as specified in instruction 2 to Item 1.06 of Form N-1R and Section 18(h) of the Act.

Item 1.07(a) Sales, repurchases, and redemptions of securities (totals for fiscal year):[1]

Class:	No. of shares[2] or prin. am't. of debt (A)	Net Consideration (B)	
Common Stock:			
a. Sales ... shs.	853,675*	$ INAP	008
b. Repurchases ... shs.		$ INAP	009
Preferred Stock:			
c. Sales ... shs.	449,956*	$ INAP	010
d. Repurchases and redemptions ... shs.		$ INAP	011
Debt Securities:			
e. Sales	$	$ INAP	012
f. Repurchases and redemptions	$	$ INAP	013

*Exchanged for Astro Controls stock in merger of 9/15/70

1/ Excluding short-term paper, sinking fund or similar periodic decreases under terms of governing instruments, and payments of debt at maturity.

2/ Adjusted to reflect any stock dividend or stock split during the year. If any, specify date and basis:

LS 000219

Item 1.07(b) State whether all securities issued by registrant, other than shares issued as stock dividends or stock splits or through reinvestment of dividends or distributions, were registered under the Securities Act of 1933 ... (yes or no) Yes — 034

Item 1.07(c) State whether registrant issued any of its securities: — 035

(1) For services ... (yes or no) No — ..A

(2) For property other than cash or securities (including securities of which registrant is the issuer), except as a dividend or distribution to its security holders or in connection with a reorganization ... (yes or no) No — ..B

Item 1.07(d) State whether registrant sold any shares of its common stock at a price below the current net asset value (exclusive of any distributing commission or discount), other than as permitted by a provision of Section 23(b) of the Act ... (yes or no) No — 036

Item			
1.07(e)	State whether registrant purchased any securities of which it was the issuer, other than as permitted by a provision of Section 23(c) of the Act or the rules thereunder .....(yes or no)	No	037

Item 1.09(a) Persons owning of record, or known by registrant directly or indirectly to own, control, or hold with power to vote, 5% or more of outstanding voting securities of registrant: (If individual, state last, first and middle names.)	Type Ownership1/	Social Security or IRS Empl. Ident. No. (A)	% Owned (B)	038
01 First Greystone Associates	RB	43-0860616	9.82%	N
02				
03				
04				
05				
06				
07				
08				
09				
10				
11				
12				
13				
14				
15				
16				
17				

1/ Insert "R" if record, "B" if beneficial, or "RB" if record and beneficial.

Item 1.10 Approximate number of holders of record of each class of equity securities:

Title of Class (A)	Number of Holders (B)	039
$1.00 Cumulative convertible preferred stock - $1.00 par value	1,662	
Common stock - No par value	4,124	
7% Convertible subordinated debentures due January 1, 1990	762	
Warrants expiring August 27, 1971	18	
Warrants expiring January 15, 1979	4	
Options on preferred stock	6	

LS 000220

Item 1.11

		040
(a) State whether registrant had a board of directors more than 60% of the members of which were investment advisers of, affiliated persons of an investment adviser of, officers or employees of, or regular legal counsel for, the registrant1/........................ (yes or no)	No	..A
(b) State whether 50% or more of the members of the board of directors of registrant were regular brokers for registrant or affiliated persons of any such brokers1/........ (yes or no)	No	..B
(c) State whether 50% or more of the members of the board of directors of registrant were principal underwriters of securities issued by registrant or affiliated persons of any such principal underwriters1/..(yes or no)	No	..C
(d) State whether 50% or more of the members of the board of directors of registrant were investment bankers or affiliated persons of any investment banker1/ ....(yes or no)	No	..D
(e) State whether a majority of the board of directors of registrant were officers or directors of any one bank1/ ....(yes or no)	No	..E

1/ Except as permitted by the provisions of Section 10(e) of the Act. If registrant is an unincorporated company not having a board of directors, this item shall apply to the board of directors of the depositor of registrant and, except in the case of paragraph (a), to the board of directors of every investment adviser of registrant.

Item 1.12 (a)(1) Remuneration received by registrant's directors, officers and advisory board members from the complex:[1] Total remuneration received by each of registrant's directors, three highest paid officers, and advisory board members, whose remuneration exceeded $30,000 from the complex:[1]

Name (Last)	(First)	(Middle)	Positions with Registrant[2]	Social Security Number (A)	Total Dollar Amount from Complex[1] (B)
01 Coen	Michael	J.	Chmn.Bd	500-07-4308	$ 39,816
02 Kepen	Albert	S.	Vice Chmn.Bd	317-05-9564	78,130
03 Lucas	Lawrence	N.	VP &Dir	283-10-9205	72,120
04 Kepen	Robert	P.	VP	313-24-5695	46,708
05					
06					
07					
08					
09					
10					
11					
12					
13					
14					
				Total . . .	$236,774

041 N 042

Item 1.12 (a)(2) Total remuneration received as a group by all of registrant's directors and officers from the complex[1]. $440,465 043

Item 1.12 (a)(3) Total remuneration received as a group by all of registrant's advisory board members from the complex[1]. . . . . $ INAP 044

Item 1.12(b) Pension or retirement benefits: Total amount set aside or accrued during fiscal year by the complex[1] for pension or retirement benefits proposed to be paid to each person named in Item 1.12(a)(1) above:

Name (Last)	(First)	(Middle)	Positions with Registrant[2]	Social Security Number (A)	Dollar Amount Set Aside or Accrued (B)
01 Coen	Michael	J.	Chmn.Bd		$ 6,690
02 Kepen	Albert	S.	Vice Chmn.Bd		-
03 Lucas	Lawrence	N.	VP&DIR.		23,890
04 Kepen	Robert	P.	VP		-
05					
06					
07					
08					
09					
10					
11				LS 000221	
12					
13					
14					
				Total...	$30,580

045 N 046

Notes to Items 1.12(a)(1) through 1.12(b):

1/ The "complex" consists of registrant and companies and firms related to registrant as specified in clauses (i) through (v) of paragraph (a) of Item 1.12 of Form N-1R. The details with respect to the remuneration received from each member of the complex shall be included in the answers to Item 1.12 of Form N-1R.

2/ Indicate positions by the following symbols: D-director; O-officer; A-advisory board member.

Item 1.13

Remuneration in excess of $30,000 received from registrant and its subsidiaries by certain other affiliated persons of registrant (or affiliated persons thereof) or of its investment adviser or principal underwriter, as specified in Item 1.13 of Form N-1R:[1/] If individual, state last, first and middle names	Social Sec. or IRS Empl. Ident. No. (A)	Capacities in Which Services Were Rendered (B)	Aggregate Remuneration (C)	047 N
01 Linde, Thomson, VanDyke, Fairchild & Langworthy	44-0658478	Legal Fees&Exp	$ 74,689	
02 Brenner, Lockwood & O'Neal	44-0640008	Legal Fees&Exp	33,061	
03				
04				
05				
06				
07				
08				

1/ Exclude information furnished in the answers to Items 1.12(a), 1.18(a)(4) and 1.32(c).

Item 1.15

Employees of registrant and of any company furnishing services at cost (Section 2(a)(19)(iii) of the Act) to registrant:

	Class of Employees: Exec. and Research Number of: Full-time (A)	Part-time (B)	All Other Employees Number of: Full-time (C)	Part-time (D)	
(1) Of registrant	11	2	1,746	-	048
(2) Of a Sec. 2(a)(19)(iii) type company	INAP	INAP	INAP	INAP	049

(a) State name of Company: Golconda Corporation (Formerly Golconda Mining Corp. 050 N

Item 1.16

Custody of securities and similar investments; depositories: 051 N

a. Name of custodian:[1/] ______

Type of custody: (check one) 052

b. Bank – Sec. 17(f)(1) ______ ..A

c. Member Nat'l Secs. Exch. – Rule 17f-1 ______ ..B

d. Registrant – Rule 17f-2 x ..C

If registrant is custodian, name the depository: 053

e. Idaho First National Bank N

LS 000222

1/ Insert in this space the name of the bank, exchange member, or registrant, in accordance with the type of custody checked below.

Item 1.17

Amount and type of fidelity bond(s): 054

a. Total amount $ 50,000 ..A

b. Type (blanket or individual) Blanket ..B

c. State whether in effect the entire fiscal year (yes or no) Yes ..C

Item 1.18 (a)(3)-1

Investment advisory contract: Fee rate (annualized) under registrant's advisory contract, as percent of net asset value: 1/, 2/

Step:	Value of Registrant's Net Assets and Fee Rate: Net Assets (in millions) (A)	Annual Fee Rate (B)	SEC USE
1. First	$ INAP 3/	INAP %	055
2. Of next			056
3. Of next			057
4. Of next			058
5. Of next			059
6. Of next			060
7. Of next			061
8. Of next			062
9. Of next			063
10. Of next			064
11. Of next			065
12. Of next			066
13. Of next			067
14. Over			068

1/ If registrant has more than one investment adviser, set forth in the table the fee rate paid to the adviser receiving the largest fee from registrant. State by footnote the name of such adviser and, with respect to the other adviser, the name, the basis and amount of the fee paid to it, and by whom such fee is paid.

2/ If fee is based wholly or partly on the performance of registrant, do not fill in this item, but so indicate in Item 1.18(a)(3)-3 below.

3/ If a single rate is charged, insert "no limit" for the amount in this space. If graduated fee rates are charged, insert the figures in *successive spaces*, and in the spaces opposite the step numbered 14, insert the final step amount and rate. Add additional spaces if more are required.

Item 1.18 (a)(3)-2

Percent of net asset value limit in advisory contract on total annual expenses of registrant .... INAP % 069

Item 1.18 (a)(3)-3

State whether advisory fee paid by registrant is based wholly or partly on the performance of registrant .... (yes or no) INAP 070

Item 1.18 (a)(3)-4

State whether advisory fee paid by registrant is determined on a basis other than a percent of net assets or the performance of registrant .... (yes or no) INAP 071

Item 1.18 (a)(4)

LS 000223

Dollar amount of advisory fees paid by registrant ...... $ INAP 072

Item 1.18(b)

Total dollar amount of advisory fees received by registrant's adviser, or by any affiliated adviser thereof, from any associated registered investment companies 1/ ... $ INAP 073

1/ "Associated registered investment company" for purposes of this item is defined in instruction 4 to Item 1.11(a) of Form N-1R, as qualified by instruction 3 to Item 1.18(b).

Item 1.19

a. If during the fiscal year registrant entered into an investment advisory contract, state whether the action was by the vote of a majority of the outstanding voting securities of registrant .... (yes or no) INAP — 074 ..A

b. If during the fiscal year registrant was a party to an investment advisory contract which was in effect for a period of more than two years from the date of its execution, state whether action was taken to renew such contract .... (yes or no) INAP — ..B

c. If during the fiscal year registrant renewed an investment advisory contract, state whether such action was by either the vote of a majority of the outstanding voting securities of registrant or by the board of directors,[1/] in either case within a period of not more than two years from the date of execution of the contract or not more than one year from the effective date of the previous renewal of the contract .... (yes or no) INAP — ..C

1/ Including a majority of the directors who were not parties to the contract or affiliated persons of the investment adviser or of the registrant (except solely in their positions as directors of registrant).

Item 1.21 Personnel of investment adviser (other than directors, officers, partners or proprietors):

Class of personnel:	Number of: Full-time (A)	Number of: Part-time (B)	SEC USE
a. Executives	INAP	INAP	075
b. Economists, statisticians, and research	INAP	INAP	076
c. Account supervisors and counsellors	INAP	INAP	077
d. All other personnel	INAP	INAP	078

Item 1.22 Services which were supplied or paid for wholly or in substantial part by investment adviser in connection with investment advisory contract: — 079

	(yes or no)	SEC USE
a. Occupancy and office rental	INAP	..A
b. Clerical and bookkeeping	INAP	..B
c. Accounting services	INAP	..C
d. Auditing services	INAP	..D
e. Legal fees	INAP	..E
f. Registration and filing fees	INAP	..F
g. Stationery, supplies and printing	INAP	..G(2
h. Salaries and compensation of registrant's directors	INAP	..H
i. Salaries and compensation of registrant's officers	INAP	..I
j. Reports to shareholders	INAP	..J
k. Determination of net asset values	INAP	..K
l. Trading department	INAP	..L
Other (specify):		
m.	INAP	..M(3
n.	INAP	..N

LS 000224

Item 1.23

a. State whether registrant paid any continuing fee as a percent of net assets to any person for services,[1] otherwise than pursuant to an investment advisory contract ....(yes or no) YES 080

If answer is "yes" state:

b. To whom the continuing fee was paid: H.F. Magnuson & Company 081

c. Relationship of recipient to registrant or its investment adviser: Public Accountant N

d. Nature of services: Accounting, general office services & stock transfer services

e. Dollar amount of compensation paid.................................$ 56,325 082

f. Continuing fee rate (annualized) as percent of net asset value:

Step:	Value of Registrant's Net Assets and Fee Rate: Net Assets (in millions) (A)	Annual Fee Rate (B)	
1. First	$ 2/	%	083
2. Of next			084
3. Of next			085
4. Of next			086
5. Of next			087
6. Of next			088
7. Of next			089
8. Of next			090
9. Of next			091
10. Of next			092
11. Of next			093
12. Of next			094
13. Of next			095
14. Over			096

LS 000225

1/ Except services specified in the instruction to Item 1.23 of Form N-1R.

2/ If a single rate is charged, insert "no limit" for the amount in this space. If graduated fee rates are charged, insert the figures in successive spaces, and in the spaces opposite the step numbered 14, insert the final step amount and rate. Add additional spaces if more are required.

Item 1.24

State whether registrant reported in Item 1.24 of its annual report on Form N-1R for the fiscal year that any person (other than its investment adviser or other persons of the character specified in Item 1.24 of the form and the instructions thereto) regularly furnished investment advice to registrant or to its investment adviser..................(yes or no) No 097

Item 1.25

Portfolio turnover for last three fiscal years:	Latest: 1970 (A)	Preceding: 1969 (B)	Earliest: 1968 (C)	
(a) Total portfolio turnover:				
1. Purchases	$ -	$ 1,008,342	$ 462,125	098
2. Sales	$ 462,057	$ 48,626	$ 350,623	099
3. Monthly avg. value of portfolio secs.	$ 21,085,211	$ 22,561,727	$ 27,094,662	100
4. Percent turnover	2.19 %	.21%	1.29%	101
(b) Common equity portfolio turnover:				
1. Purchases	$ -	$ 1,008,342	$ 462,125	102
2. Sales	$ 462,057	$ 48,626	$ 350,623	103
3. Monthly avg. value of portfolio secs.	$ 21,085,211	$ 22,561,727	$ 27,094,662	104
4. Percent turnover	2.19 %	.21 %	1.29 %	105

Item 1.26

(a) Portfolio trading transactions; borrowing: State whether registrant engaged in any of the following types of transactions during the fiscal year:

	(yes or no)	106
1. Margin purchases	No	..A
2. Short selling	No	..B
3. Joint trading	No	..C
4. Option trading	No	..D
5. Option writing	No	..E
6. Borrowing of money	Yes	..F
(b) State whether the transactions, if any, reported in the answer to (a) above were permitted by registrant's policies as recited in its registration statement and reports filed under the Act.	Yes	..G(

Item 1.27(b)

	Value in Restricted Securities: (A)	Percent of Total Net Assets: (B)	
Value of total net assets invested in "restricted securities", other than straight debt securities, at end of the fiscal year:	$ 2,584,812	8.13 %	107

Item 1.28

State whether registrant followed a practice of purchasing portfolio securities shortly prior to the ex-dividend dates (yes or no) — No — 108

Item 1.29(b)

State whether registrant distributed capital gains distributions on other than an annual basis (yes or no) — INAP — 109

Item 1.30

State whether definitive proxy material was filed with the Commission with respect to all solicitations of shareholders of registrant by or in behalf of the management of registrant or its investment adviser (yes or no) — Yes — 110

Item 1.31

Considerations which affected the participations of brokers or dealers in commissions or other compensation paid on portfolio transactions of registrant:

	(yes or no)	111
a. Sales of registrant's shares	INAP	..A
b. Receipt of investment research and statistical information	INAP	..B
c. Receipt of quotations for portfolio valuations	INAP	..C
d. Ability to execute portfolio transactions efficiently and at best prices	INAP	..D
e. Receipt of telephone line and wire services	INAP	..E
f. Affiliated relationship of broker or dealer[1/]	INAP	..F
g. Arrangement to return or credit part or all of commissions or equivalent, or profits thereon:		
1. To investment adviser or an affiliated person thereof	INAP	..G(
2. To registrant	INAP	..H
Other (specify):		
h.	INAP	..I
i.	INAP	..J

LS 000226

1/ With registrant, its investment adviser, or an affiliated person of either of them.

SEC USE

Item 1.32 (a)&(b) Direct or indirect interest which each director, officer, member of any advisory board or committee, and any person who owns of record or is known by registrant to own beneficially 5% or more of the outstanding voting securities, and each partner, of registrant or of its investment adviser, had in the firms specified[1]

Name of investment adviser in which interest was held: [2]	IRS Empl. Ident. No. or Soc. Sec. No. (A)	If security holder, indicate: Holder of more than 25% of any class[4] (B)	Holder of 25% or less of any class[4] (C)	If partner, check: Holder of 1 of 4 largest interests (D)	Other (E)
Name(s) of holder of interest and relationship to registrant or its investment adviser: [3]					
01 INAP		INAPPLICABLE			
02					
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

112
N

LS 000227

See next page for notes.

Item 1.32 (a)&(b) continued

Broker or dealer named in Item 2.17(b) or 2.18, in which interest was held,[2] holder of such interest and holder's relationship to registrant or its investment adviser.[3]	IRS Empl. Ident. No. or Soc. Sec. No. (A)	If security holder, indicate: Holder of more than 25% of any class[4] (B)	Holder of 25% or less of any class[4] (C)	If partner, check: Holder of 1 of 4 largest interests (D)	Other (E)
INAP		INAPPLICABLE			

114
N

LS 000228

Item 1.32'a) and (b) notes:

1/ For the purpose of this table, "interest" means ownership interest (direct or indirect).

2/ Insert name of firm in which interest was held under this caption and, if interest was indirect, the name of the firm in which the direct interest was held and the pertinent relationship. Omit the name of any firm in which there was no interest.

3/ Insert name of holder of interest. If holder is an individual, state last, first, and middle names. Use two lines within a numbered space, if necessary. Insert the following symbols after the name of the holder, as pertinent, to indicate all applicable relationships R-registrant; I-investment adviser; D-director; O-officer; A-advisory board member; S-security holder (5% or more of outstanding voting securities); P-partner. For example, use "RDO" to denote positions with registrant as director and officer. Omit the names of all persons who owned no direct or indirect interest. If more space is required, use an additional sheet with the same column headings and captions.

4/ Indicate in the applicable column each class of security held and whether it is a voting security, using footnote if more space is required. Where the interest owned was that of a sole proprietorship, this fact shall be stated.

Item 1.32(c) and (d) Participations of affiliated brokers or dealers 1/ among the ten brokers (Item 2.17(b)) which received the largest participations in brokerage commissions on registrant's portfolio transactions and among the ten brokers or dealers (Item 2.18) which engaged as principals in the largest amounts of registrant's portfolio transactions, in brokerage commissions 2/ on portfolio transactions (1) of registrant, and (2) of any associated registered investment company: 3/

Name of Affiliated Broker or Dealer 4/	IRS Empl. Ident. or Soc. Sec. No. (A)	Gross Commissions Received (B)	Give-Ups: Received from Others 6/ (C)	Give-Ups: Paid to Others 6/ (D)	Net Commissions Received (E)
(1) Participating in registrant's brokerage commissions:		$	$	$	$
01 INAP			INAPPLICABLE		
02					
03					
04					
05					
(2) Participating in associated registered investment company's brokerage commissions: 5/					
01 INAP			INAPPLICABLE		
02					
03					
04					
05					

115 N

116 N

LS 000229

1/ For the purpose of this item, "affiliated broker or dealer" is any broker or dealer of which a director, officer, member of any advisory board or advisory committee, or any person who owns of record or is known by registrant to own beneficially 5 percent or more of the outstanding voting securities, or any partner, of registrant or of its investment adviser, was an affiliated person.

2/ For the purpose of this item, include as brokerage commissions the amount of the compensation on those principal transactions (i.e., new issues and secondary distributions) where the compensation was fixed by agreement under the rules of a national securities exchange, or where the discount or concession was specified in the prospectus or fixed by the terms of the offering.

3/ "Associated registered investment company" for the purposes of this item is defined in Instruction 4 to Item 1.11(a) of Form N-1R.

4/ Indicate basis of affiliation (as defined in note 1 above) of each named broker or dealer by footnote or otherwise.

5/ Insert name of associated registered investment company under this caption, and indent names of affiliated brokers or dealers receiving participations in brokerage commissions paid by such company under the name of the company.

6/ At the direction or request of registrant or of the associated registered investment company, as the case may be, or of the investment adviser or principal underwriter thereof.

Item 1.39(a) Portfolio composition: Value of total assets invested in various types of securities:	Number of Issues (A)	Value (B)	Percent of Total Assets (C)	SEC USE
1. U.S. Government 1/		$	%	147
2. Short-term debt 2/ (other than U.S. Gov't)				148
Long-term debt (other than U.S. Gov't):				
3. Non-convertible				149
4. Convertible				150
Preferred stocks:				
5. Non-convertible				151
6. Convertible				152
7. Common Stocks	15	19,824,995	34.70	153
8. Options or warrants 3/				154
9. Other securities				155
10. Cash and other assets		37,321,036	65.30	156
11. Total assets		57,146,031	100.00%	157
12. Short positions (all types of sec's)		None		158

1/ Issued by the United States or an instrumentality thereof.
2/ Payable on demand or in not exceeding one year from date of issuance or renewal.
3/ Include any options or warrants attached to another security with, and in the category of, such other security.

Item 1.39(b) Five industries of heaviest concentration in common stocks: (159 N)

	Name of Industry	Value of Common Stock Investments in Each (A)	Percent of Value of Total Assets (B)
01	Mining	$19,824,995	100.00 %
02			
03			
04			
05			

Item 1.39(c) Five largest common stock holdings in individual companies: (160 N)

	Name of Company	Value of Investment (A)	Percent of Value of Total Assets (B)
01	Hecla Mining Company	$16,367,468	28.64 %
02	Alice Consolidated Mines, Inc.	2,584,812	4.52
03	Granduc Mines, Ltd.	326,400	0.57
04	Square Deal Mining & Milling Co. Ltd.	209,466	0.37
05	LaLuz Mines, Ltd.	20,900	0.04

Item 1.39(d) Market discount or premium from net asset value of outstanding common stock:

Common Stock (per share):	End of Fiscal Year: Latest Fiscal 19__ (A)	Preceding Fiscal 19__ (B)	
1. Net asset value per share	$ INAP	$ INAP	161
2. Market price 1/	$	$	162
3. Market discount ( ) 2/ or premium	$	$	163
4. Percent market discount ( ) or premium 3/	%	%	164

LS 000230

1/ Closing sale or mean of bid and asked.
2/ Indicate discount by placing figures in parentheses.
3/ State as a percentage of net asset value. If a discount, place the percentage in parentheses.

SEC File No. 811-1342

EXHIBIT 1.

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

PART II

EDP ATTACHMENT FOR FORM N-1R
OF REGISTERED CLOSED-END MANAGEMENT INVESTMENT COMPANY

For Fiscal Year Ended November 30, 1970

GOLCONDA CORPORATION
(formerly Golconda Mining Corporation)

(Name of Registrant)

LS 000231

Item 2.01(1) Attendance of directors at formal meetings: 200

a. Total number of formal meetings held by the board of directors .... 7 ..A

Percent total attendance of directors at formal meetings of the board of directors (ratio of the total of the number of directors in attendance at the respective meetings of the board to the total of the numbers of the members of the board at the dates of such meetings):

b. Affiliated directors[1/] .... 95.45 % ..B
c. Unaffiliated directors[1/] .... 58.62 % ..C

1/ As defined in the instruction to Item 2.01 of Form N-1R.

Item 2.02 Portfolio purchase and sale transactions in securities of same class of same issuer within a six-month period: 201

a. Total purchases .... $ INAP ..A
b. Total sales .... $ INAP ..B
c. Total purchases and sales .... $ INAP ..C
d. Total purchases and sales as percent of monthly average value of portfolio securities for the fiscal year[1/] .... INAP % ..D

1/ The monthly average value of the total portfolio securities shown in Item 1.25(a)3 above shall be used in computing this percentage.

Item 2.04 Purchase of securities during underwriting by affiliated principal underwriter (Section 10(f)): State whether registrant reported in Item 2.04 of its annual report on Form N-1R for the fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by the provisions of any rule under Section 10(f) of the Act .... (yes or no) NO 202

Item 2.05 Purchase of interest in investment company, investment adviser, broker, dealer, underwriter, or insurance company (Section 12(d)): State whether registrant reported in Item 2.05 of its annual report on Form N-1R for the fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by any provision of Section 12(d) of the Act or any rule thereunder .... (yes or no) NO 203

Item 2.06 (a) If any vacancy in the board of directors of registrant was filled by action of the board, state whether, immediately after the filling of any such vacancy, at least two-thirds of the directors then holding office had been elected by the holders of the outstanding voting securities of registrant at an annual or a special meeting of the shareholders[1/] ...... (yes or no) NO 204 ..A

(b) If at any time (during the fiscal year) less than a majority of the directors of registrant then holding office had been elected by the holders of the outstanding voting securities of registrant, state whether a meeting of such holders was held within sixty days for the purpose of electing directors to fill any existing vacancies in the board of directors[1/] .... (yes or no) INAP ..B

LS 000232

1/ The reporting requirements of this item shall not apply to registrant if it is a common law trust existing on the date of enactment of the Act under an indenture of trust which does not provide for the election of trustees by the shareholders. If registrant is such a trust, it shall check here .... ☐ ..C

Item 2.07 Transactions between registrant or controlled company and affiliated or certain other persons (Sections 17(a), 17(b), 17(c), and 21): State whether registrant reported in Item 2.07 of its annual report on Form N-1R for the fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by any provision of Section 17 or 21 of the Act or any rule thereunder .... (yes or no) NO 205

Item 2.08 State whether there was any transaction between registrant and any corporation or organization (other than registrant's investment adviser) which was an affiliated person, known to be such by registrant, of any director or officer of registrant's investment adviser.[1] (yes or no) NO 206

1/ Other than a transaction for which no information need be given pursuant to the instructions to Item 2.08 of Form N-1R.

Item 2.09 Remuneration of certain affiliated persons acting as agent in property transactions or as broker in securities transactions (Section 17(e)): *State whether registrant reported in Item* 2.09 of its annual report on Form N-1R for the fiscal year the payment of any compensation which was not exempted by an order of the Commission or exempted or excepted by the provisions of any rule under Section 17(e) of the Act . . . . (yes or no) NO 207

Item 2.10(a) Name each bank, other than a custodian bank named in Item 1.16(a), in which registrant kept deposits, and state the average monthly balance thereof in each during the fiscal year: 208 N

	Name of Bank	IRS Empl. Ident. No. (A)	Average Monthly Balance of Deposits (B)
01	Idaho First National Bank	82-6005448	$ 20,049
02	First National Bank of Wallace	82-0174625	1,759
03	First Federal Savings and Loan	82-0109357	1,435
04	Pacific National Bank of Washington	not available	208,306
05	Old National Bank of Washington	not available	74,997
06			
07			
08			
09			
10			
11		LS 000233	
12			

The above banks and average monthly deposits are those of the Investment Subsidiary only - formerly Golconda Mining Corporation.

Item 2.10(b) State whether there was any practice or arrangement under which a custodian bank named in Item 1.16(a) above maintained deposits of registrant's funds or equivalent funds of any such custodian bank deposits in other banks . . . . (yes or no) INAP 209

Item 2.11 State whether registrant complied with all requirements of Rule 17g-1 under the Act with respect to a fidelity bond . . . . (yes or no) YES 210

Item 2.13 If registrant paid any dividend or made any distribution in the nature of a dividend payment, *wholly or partly from any source other than the sources stated in Section 19 of the Act,* state whether such payment or distribution was accompanied by a written statement to the stockholders disclosing the source or sources thereof and otherwise complying with the provisions of Rule 19-1 under the Act . . . . (yes or no) INAP 211

Item 2.14	(a) State whether registrant purchased any voting security of a company where, to the knowledge of registrant, cross ownership or circular ownership then existed or after such acquisition existed, between registrant and the issuer of such security ...... (yes or no)	NO	212 ..A
	(b) If, to the knowledge of registrant, any cross ownership or circular ownership came into existence, state whether steps were taken by registrant, when such relationship became known to it, to terminate such ownership .... (yes or no)	INAP	..B
Item 2.15	State whether registrant followed all procedures specified in Rule 2a-4 under the Act in the making of periodic calculations of the current net asset value per share of its outstanding capital stock. .... (yes or no)	INAP	213
Item 2.16	(a) State whether registrant filed with the Commission any financial statement certified by an independent public accountant other than one selected or ratified in accordance with Section 32(a) of the Act and the rules thereunder .... (yes or no)	NO	214 ..A
	(b) State whether registrant filed with the Commission any financial statement in the preparation of which the controller or other principal accounting officer or employee of registrant participated other than one selected in accordance with Section 32(b) of the Act .... (yes or no)	NO	..B

Item 2.17(a) Broker-dealer participations in portfolio transactions:
Total brokerage commissions1/ paid by registrant .... $ 4,524 215

1/ See Note 1 to Item 2.17(b) below.

Item 2.17(b) Ten brokers which received the largest participations in brokerage commissions1/ on registrant's portfolio transactions, set forth in order of size based on net commissions received: 216 N

	Name of Broker	IRS Empl. Ident. or Soc. Sec. No. (A)	Gross Comm. Rec'd Fm. Regist. (B)	Give-Ups: Received from Others2/ (C)	Give-Ups: Paid to Others2/ (D)	Net Commissions Received (E)
01	Dominick & Dominick	N/A	$1,265	$	$	$1,265
02	Midland Securities Co. Inc.	N/A	1,958			1,958
03	Reynolds & Co.	N/A	410			410
04	Bache & Company	N/A	891			891
05						
06						
07						
08						
09						
10						

LS 000234

1/ For the purpose of this item, include as brokerage commissions the amount of the compensation on those principal transactions (i.e., new issues and secondary distributions) where the compensation was fixed by agreement under the rules of a national securities exchange, or where the discount or concession was specified in the prospectus or fixed by the terms of the offering.

2/ At the direction or request of registrant or its investment adviser.

SEC USE

Item 2.18 Broker-dealers acting as principals: Amounts of portfolio transactions (including Government securities) by registrant with brokers or dealers named in Item 2.17(b) acting as principals and with other brokers or dealers among the ten which engaged as principals in the largest amounts:

217 N

	Name of Broker or Dealer 1/	IRS Empl. Ident. or Soc. Sec. No. (A)	Principal Transactions: Purchases by Registrant (B)	Sales by Registrant (C)	Total (D)
01	Pennaluna & Company	82-0258524	$ -	$63,000	$ 63,000
02					
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
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LS 000235

1/ Set forth the names in a single list arranged in order of the total amount of transactions by registrant with each broker or dealer (from highest to lowest amounts), and indicate by footnote each such broker or dealer which is also named in Item 2.17(b).

Item 2.19	State whether any orders for the purchase or sale of portfolio securities on behalf of registrant were placed with a broker or dealer in return for any benefits provided, directly or indirectly, to any other person[1/] .... (yes or no)	NO	218

1/ Other than registrant's investment adviser or a company of the character described in clause (iii) of the instruction to Item 1.24 of Part I of Form N-1R.

Item 2.20	State whether there was any family relationship, known to registrant, of certain affiliated persons of registrant, specified in Item 2.20 of Form N-1R, with other such affiliated persons of registrant or of its investment adviser. .... (yes or no)	NO	219
Item 2.21	State whether there was any transaction between registrant's investment adviser, or any broker named in the answers to Item 2.17 and 2.18 of Form N-1R, and (a) any director or officer of registrant who was not an affiliated person of such investment adviser or broker, as the case may be, or (b) any corporation or organization controlled by such director or officer[1/] .... (yes or no)	NO	220

1/ Other than a transaction for which no information need be given pursuant to the instructions to Item 2.21 of Form N-1R.

Item 2.22	State whether there was any indebtedness (other than by virtue of margin accounts) of any director or officer of registrant who was not then an affiliated person of registrant's investment adviser, in an amount exceeding $1,000 to the investment adviser or to any affiliated person thereof .... (yes or no)	NO	221

LS 000236

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